



# ***Daily Report***

## **China**

FBIS-CHI-94-036  
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# Daily Report

## China

FBIS-CHI-94-036

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23 February 1994

NOTICE TO READERS: An \* indicates material not disseminated in electronic form.

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## General

### PRC 'Angrily' Rejects Organizations' Rights Reports

WA2302085694 Paris AFP in English 0155 GMT  
23 Feb 94

[Text] Geneva, Feb 23 (AFP)—China has angrily rejected criticism of its human rights record issued by two international organizations, charging that they remain imprisoned in a "Cold War mentality."

Sources with the United Nations Commission on Human Rights said Tuesday that the Chinese delegate had denounced Amnesty International and Human Rights Watch the previous day.

"Amnesty International and Human Rights Watch have not changed their mentality since the Cold War," he declared. "How can they assess the human rights situation in China without prejudice?"

He accused them of ignoring the progress made in China since 1949, notably its victory over famine.

Amnesty, in a report submitted last week to UN human rights officials, charged that "hundreds of people (in China), including political dissidents and members of ethnic and religious groups, have been arbitrarily detained for peaceful exercise of their fundamental human rights."

"Torture, which is prohibited by law, continues to be widespread, sometimes resulting in death.

"In the past two years the death penalty has been increasingly used for non-violent offenses," according to Amnesty, which said it had received reports on the execution of 1,250 people from January to November 1993.

Human Rights Watch issued findings similar to those of Amnesty.

Western countries are currently holding private discussions on a draft resolution on the human rights situation in China, which will also make reference to Tibet.

### Official Says PRC Ready To Show Flexibility on GATT

OW2202132394 Beijing XINHUA in English  
1306 GMT 22 Feb 94

[Text] Beijing, February 22 (XINHUA)—Wu Yi, Chinese minister of foreign trade and economic cooperation, said here this afternoon that China is ready to show flexibility on some issues concerning restoration of China's signatory party status in the General Agreement on Tariffs and Trade (GATT).

She made the remarks when meeting with Assistant Trade Representative for GATT Affairs Dorothy Dwoskin from the United States, who led a delegation

here to attend the eighth round of Sino-U.S. talks on China's resumption of its GATT membership.

During the meeting with the U.S. delegation following the end of the two-day talks, Wu said that China has taken a series of major steps in reforming its economic and trade system, adding that China has made active efforts in its talks with the U.S.

"We are ready to show flexibility on some issues of concern by signatory parties," she said. However, she added, China sticks to the principle of balance between rights and obligations required of her before being allowed to re-enter GATT.

"It is impossible for us to accept excessive demands well above the level of China's economic development," she said.

Dwoskin expressed appreciation for the measures China has taken in reforming its economic and trade system, especially in reforming its foreign exchange system.

She also reiterated the firm support on the U.S. side for the resumption of China's signatory party status in GATT, pointing out that China should fully observe the obligations as a member of a World Trade Organization (WTO).

In the eighth round of the talks, both delegations agreed that negotiations on China's re-entry into GATT is multi-lateral work which demands efforts from all GATT members.

They held that this round of negotiations has made full preparation and provided a sound basis for the 16th meeting of the GATT working party on China, which is scheduled to open in Geneva in March, to achieve constructive results.

This is the first round of talks between the two countries on the issue after the conclusion of the Uruguay Round of GATT talks.

The two delegations exchanged in-depth views on a wide range of specific issues concerning China's re-entry into GATT.

### 'Roundup' Views Russian Mediation in Sarajevo Situation

OW2202115194 Beijing XINHUA in English  
1058 GMT 22 Feb 94

[Unattributed "Roundup": "Russia's Mediation Vital to Settling Bosnian Crisis"]

[Text] Moscow, February 21 (XINHUA)—Bosnian Serbs' acceptance of Russia's advice to remove their big guns from around Sarajevo was a great relief to the world community. Russia should be given the greatest credit.

On February 9, NATO, while keeping Russia in the dark, sent an ultimatum to Bosnian Serbs, requesting them

either to withdraw heavy weapons from the 20-kilometer exclusion zone or face air strikes.

Russia promptly responded to NATO's move. Moscow launched a strong media offensive against possible NATO air strikes, which it said could only help escalate the war and damage the peace process. It said NATO had no right to make any decision on the Bosnia issue on behalf of the U.N. Security Council.

On the other hand, Russia started an all-out diplomatic campaign to keep the ultimatum from being materialized. President Boris Yeltsin led the mission personally to explain to the leaders of the Western countries Russia's proposal: to demilitarize Sarajevo and put it under U.N. control. He also called for urgent U.N. meeting to cope with the worsening situation.

On February 17, three days before the deadline, Yeltsin sent his special envoy, Deputy Foreign Minister Vitaliy Churkin, to Sarajevo with his letter. The special envoy promised the ethnic Serb forces that Russia will deploy peacekeepers in the Bosnian capital. In return, the Serb side agreed to implement the ultimatum.

The crisis was eased for a while, and everybody sighed a breath of relief.

Local news media commented favorably on Moscow's mediation, describing it as a good show of Russia's independent foreign policy, which might help Russia strengthen its position and its influence on the world stage.

The Balkan region had been a sphere of influence of the former Soviet Union. Russia, the legitimate heir of the Soviet empire, wants to keep it away from the finger of NATO, its flirting friend and hereditary foe.

Moreover, if NATO had launched air strikes, it would have been its first military action on territories under the tutelage of the former Soviet Union.

The Russian newspaper "PRAVDA" commented that it would have meant that NATO, the overpowering international military group of the time, was broadening its sphere of responsibility, and that it would harm Russia's strategic interests.

From the geopolitical point of view, Russia wants to retain its interests in the Balkan region and in the meantime strengthen its big-power image in the world. The Russian Army newspaper "KRASNAYA ZVEZDA" said that if the West really wants peace in the Balkans, it ought to treat Russia as a big power and an equal partner. Peace could be achieved in former Yugoslavia and Bosnia only when the interests of various sides, including Russia, have been taken into careful account, it said.

In Russia, political parties and government branches are unprecedentedly united in objecting to NATO's air strike threat. Yeltsin's tough stance on the issue will

surely moderate the anti-air strike sentiment at home and strengthen his leadership.

Moscow's success in persuading ethnic Serbs to end their 23-month siege of Sarajevo has pushed one step forward the process of politically settling the Bosnia conflict. Kremlin is winning in its diplomatic campaign.

On February 21, after the deadline passed peacefully, Yeltsin phoned German Chancellor Helmut Kohl, putting forward three major tasks for an ultimate solution to the Bosnia crisis:

- Entrusting Sarajevo to U.N. management;
- Taking measures to strengthen other "security zones" in Bosnia; and
- Urging the three warring sides to sign an agreement on a peaceful settlement of the conflict.

Observers here predict that Russia will seek to play an increasingly independent role in the making of peace in the war-tattered former Yugoslavia.

#### U.S. Envoy to UN Says Assessment of Bosnia Needed

OW2102000894 Beijing XINHUA in English  
2350 GMT 20 Feb 94

[Text] United Nations, February 20 (XINHUA)—The American U.N. ambassador, Madeleine Albright, said today that the first thing NATO countries to do after the ultimatum deadline is to make an assessment of the situation about the compliance.

The ambassador made the remarks this evening when she was asked by the CNN about her understanding on U.S. Defense Minister William Perry's statement that there would be no air strikes against targets in and around Sarajevo on Monday [21 February].

"My understanding is that Perry said that he was optimistic about the direction in which the compliance was moving but he also made it very clear that the ultimatum stood and the deadline is in fact very clear."

She said that they were all encouraged by the pace of withdrawal of heavy weaponry from around Sarajevo, as set by the NATO ultimatum to be completed by midnight today.

The measure of success was not whether there were air strikes, she said, it was whether the Serbs had complied.

In Washington, a Pentagon official said what Perry had said was he was hopeful that there would be no air strikes on Monday, CNN reported.

### **U.S. Lifts Ban on Transport, Travel to Vietnam**

*OW1902023194 Beijing XINHUA in English  
2241 GMT 18 Feb 94*

[Text] Washington, February 18 (XINHUA)—The U.S. Commerce Department has formally lifted its ban against U.S.-registered ships and planes transporting goods or traveling to Vietnam.

The department made the decision Thursday [16 February] in response to President Bill Clinton's Feb. 3 move to end the 19-year-old trade embargo against Vietnam.

Clinton said, "I have made the judgment that the best way to ensure cooperation from Vietnam and to continue getting the information Americans want on POWs and MIAs is to end the trade embargo."

The U.S. business community has hailed the President's decision, saying the move will open up a new venue for American goods and investment.

The U.S. United Airlines made a decision on February 3 to offer flights between Los Angeles and Ho Chi Minh City hours after the President announced the lifting of the trade embargo on Vietnam.

The airlines said it would begin service to Vietnam as soon as it could get government approval.

### **United States & Canada**

#### **Jiang Zemin Views Basis on Future Sino-U.S. Relations**

*OW2302082394 Beijing XINHUA in English  
0811 GMT 23 Feb 94*

[Text] Beijing, February 23 (XINHUA)—Chinese President Jiang Zemin said here today that development and peace remain the two major issues to be resolved by the world.

Jiang made the remarks when meeting with Lawrence Eagleburger, former U.S. secretary of state, here this morning in Zhongnanhai, headquarters of the Central Committee of the Chinese Communist Party and the State Council.

Eagleburger is here as a guest of the Chinese Foreign Ministry, leading a U.S. "China investment and trade" delegation.

During the meeting, Jiang said that the current international situation is still changing in a complicated and profound way. The world is developing in the direction of multi-polarization, and the regionalization and conglomeration of the world economy are tending to accelerate.

However, the president said that various contradictions and conflicts concealed by the Cold War are gradually

being uncovered, leading to disturbances, clashes and even the spilling of blood in some areas.

Jiang said that China has always attached much importance to developing relations with the United States.

More mutual trust and cooperation between China and the United States will make the two countries play a more active role in handling international affairs.

Sino-U.S. relations have seen positive development since the Seattle meeting between the presidents of the two countries last November, Jiang said, and since then, exchanges of visits at high-ranking level had been frequent and bilateral trade and economic cooperation strengthened.

"All these are helpful to promoting mutual understanding and solving disputes," he added.

As long as both sides have their eyes on the over-all situation and the next century, observe the principles of the three joint communiques between the two governments, respect the facts, increase consultations, and seek common ground while reserving differences, Sino-U.S. relations will be able to maintain a constant development on a normal track.

Eagleburger agreed with Jiang, saying that the changes that have taken place in China are very impressive, and all those who are concerned about stability in the next century should agree on the importance of proper u.s.-China relations, because a sound Sino-U.S. relationship is beneficial not only to the two countries, but to world stability and peace as well.

Eagleburger and his party arrived in Beijing on Monday [21 February] evening. In addition to Beijing, they are scheduled to visit Shanghai, Guangzhou and Shenzhen.

#### **Senior CIA Officer Arrested for 'Spying' for Russia**

*OW2202222394 Beijing XINHUA in English  
1951 GMT 22 Feb 94*

[Text] Washington, February 22 (XINHUA)—In what may be the most serious espionage case in U.S. history, a senior U.S. intelligence officer and his wife were arraigned today for spying for the former Soviet Union and later Russia since 1985.

President Bill Clinton described the case as a "very serious one and would lodge a strong protest with the Russians."

Aldrich Hazen Ames, 52, a Central Intelligence Agency (CIA) employee for more than 31 years, was chief of the Soviet branch of the CIA's Counter Intelligence Group, before being arrested Monday [21 February] by the Federal Bureau of Investigations (FBI).

Ames and his wife, the 41-year-old Maria del Rosario Casas, allegedly received more than 1.5 million dollars



from the former Soviet Union's KGB and its Russian successor for giving vital information on CIA's operations and personnel.

If convicted, the couple could be sentenced a maximum of life imprisonment and 250,000 dollars in fines.

According to Helen F. Fahey, U.S. attorney for the eastern district of Virginia, Ames also passed classified information to, and received cash from, the Russians through "dead drops" in the Washington, D.C. area.

A "dead drop" is a prearranged location where a foreign agent drops off or picks up material from his contact.

It is not clear for the time being if any Russian diplomats here would be pronounced as "persona non grata" as a result of the couple's arrest.

Attorney Fahey said in the complaint that Ames and his wife, native of Colombia and a naturalized U.S. citizen, used at least two Swiss bank accounts to store and transfer the money they got from the Russians.

The couple spent the money on, among other things, a 540,000 dollars house, jaguar automobiles and more than 165,000 dollars in stocks and securities.

FBI agents have seized the couple's residence in Arlington, Virginia and frozen numerous bank accounts belonging to or controlled by the couple in the United States and abroad.

Ames' wife is a part-time student at the Georgetown University and previously acted as a paid source for the CIA in Mexico City, Mexico.

"FBI agents worked doggedly on this case—not for months but for years—with the CIA's unwavering assistance every step of the way," FBI Director Louis Freeh said.

#### U.S. Protests to Russia

OW2302094294 Beijing XINHUA in English  
0752 GMT 23 Feb 94

[Text] Washington, February 22 (XINHUA)—The United States today lodged a strong protest with Moscow over a Central Intelligence Agency (CIA) officer's allegedly spying for the former Soviet Union and later Russia since 1985.

Secretary of State Warren Christopher summoned Vladimir Chkhikvishvili, charge d'affaires of the local Russian Embassy, and registered "a formal diplomatic protest over circumstances" surrounding the arrest of the former chief of the Soviet Branch of the CIA's counter-intelligence group.

At the center of the latest diplomatic bickering is Aldrich Hazen Ames, 52, who was arrested Monday by the Federal Bureau of Investigations (FBI).

Christopher "protested the allegations of the Russian intelligence service in engaging in the alleged espionage activities at issue in this case," State Department Spokesman Michael McCurry said in a statement.

Clinton has directed National Security Advisor W. Anthony and others to gauge the damages caused by Ames' selling of the CIA's vital operations and personnel information to Russia.

In Moscow, U.S. Ambassador Thomas Pickering also "raised this case with senior Russian officials," McCurry said.

A senior administration official was quoted as saying that Moscow had been told to take responsibility for the case to avoid damaging the U.S.-Russian relationships.

Washington was demanding that Russia recall their diplomats involved or, the anonymous official said, the U.S. would "take the actions ourselves."

During the past nine years until his arrest on Monday, the Justice Department said, Ames and his 41-year-old wife Maia del Rosario Casas received more than 1.5 million dollars from the former Soviet Union's KGB and its Russian successor for giving vital information on the CIA's operations and personnel.

If convicted, the couple could be sentenced a maximum of life imprisonment and 500,000 dollars in fines.

According to Helen F. Fahey, U.S. Attorney for the Eastern District of Virginia, Ames also passed classified information to, and received cash from, Russians through "dead drops" in the Washington, D.C. area.

A "dead drop" is a prearranged location where a foreign agent drops off or picks up material from his contact.

It is not clear for the time being if any Russian diplomats here would be pronounced as "persona non grata" as a result of the couple's arrest.

When telephoned for comments on the U.S. protest, a duty officer in the local Russian Embassy said nobody from the press office was available today.

Attorney Fahey said in the complaint that Ames and his wife, a native of Colombia and a naturalized U.S. citizen, used at least two Swiss bank accounts to store and transfer the money they got from the Russians.

The couple spent the money on, among other things, a 540,000 dollar house, Jaguar automobiles and more than 165,000 dollars in stocks and securities.

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Ames' wife is a part-time student at Georgetown University and previously acted as a paid source for the CIA in Mexico City, Mexico.

"FBI Agents worked doggedly on this case—not for months but for years—with the CIA's unwavering assistance every step of the way," FBI Director Louis Freeh said.

#### Corporation To Launch Two Satellites for U.S. Company

OW2202141694 Beijing XINHUA in English  
1305 GMT 22 Feb 94

[Text] Beijing, February 22 (XINHUA)—The China Great Wall Industry Corporation (CGWIC) will launch two high-powered direct broadcast satellites for the United States' Echostar Satellite Corporation.

A contract was signed between the two sides here today.

The two satellites are expected to be placed in orbit over 119 degrees west longitude. The launch of Echostar 1 is slated for late summer of 1995 and of Echostar 2, for mid-1996. Both satellites will be sent into space from the Xichang satellite launch center on China's 2-stage Long March 2c carrier rocket. CGWIC will also supply Echostar with a solid motor (epkm) [expansion unknown] for each launch.

Charlie Ergen, chairman of Echostar, said that the satellite manufacturer, Martin Marietta, anticipates receiving required satellite export licenses in the near future.

Ergen said that a major reason for Echostar's choosing to work with CGWIC is that the Long March 2c rocket can ensure a minimum life of 17 years for the satellites, a term which can not be provided by many Western space companies. In addition, CGWIC's competitive price, sincere cooperative spirit and experiences in successfully launching overseas satellites were also important considerations in making the decision.

Echostar 1 and 2 are Martin Marietta Astro Space Series 7000 satellites, both with 16 transponders. Their successful launch would enable Echostar to provide over one hundred channels of video, audio and data communications services accessible to virtually every single-family household in the continental United States utilizing an 18-inch satellite dish.

Echostar's home receiver and antenna systems will incorporate digital compression technology with the potential to deliver programming including sports, popular cable services, pay-per-view movies, databases, educational services and hdtv [high definition television].

At today's contract-signing ceremony, Vice President of CGWIC Liu Zhixiong said that in the next two years CGWIC will launch six overseas satellites. Starting from 1996, CGWIC will launch Echostar 2 and a series of iridium satellites for Motorola. At present a number of foreign satellite companies are negotiating satellite launch arrangements with CGWIC.

#### Dissident Wei Jingsheng Views Sino-U.S. 'Misunderstandings'

HK2202073794 Hong Kong EASTERN EXPRESS in English 22 Feb 94 p 9

["A Single Voice" column by dissident Wei Jingsheng: "Will the Wolf Ever See the Lamb's View?"]

[Text] Ordinary Americans don't really understand China, just as most Chinese don't really understand America. Because of this, the people of the two countries often misunderstand the actions taken by the government of the other side. Sino-US relations have recently been subject to just these kinds of misunderstandings.

The Chinese government does not believe America really cares about the fate of the Chinese people. As Beijing sees it, the US is using the human rights issue as an economic bargaining chip and a political tactic for attacking the Chinese Communist Party.

As a result, the Chinese government tries to deal with human rights as a problem in foreign relations. Its main rationale for resisting the mounting international pressure is that "interference in China's domestic politics is unacceptable". There is a tendency to treat political dissidents as human pawns in China-US trade negotiations. Beijing participates in this sordid trade because it does not understand US thinking.

Beijing does not believe the US will actually refuse to deal with the Chinese government because of human rights. Beijing does not believe the Americans are really willing to forego a chance to make some quick money, or that the Americans are applying these same moral judgments impartially to the policies of other countries.

Though perfectly well aware their own behaviour is wrong, Beijing's leaders are determined to hold out until the last minute in the belief that this will allow them to recover "face". In time, they believe, the "Yankies" will reveal the reality behind their feigned concern for human rights. This will result in greater freedom for the Chinese communist government—all the better to strip more freedoms from ordinary people.

It appears the US government also misunderstands the real thinking of the Chinese government. US leaders have the impression that the Chinese leadership are like the dimwitted, obtuse rulers of a backward people who do not understand that violating human rights is actually wrong. As a result, the Americans are considering abandoning the strategy of steadily increasing pressure on China and relying instead on "persuasion and education" in order to improve China's human rights. This is like Aesop's fable about the lamb that tried to reason with a wolf.

I fear any attempt to use reason and logic in this situation will prove abortive. It's not that the wolf doesn't understand reason, but rather that he isn't interested in discussing reason.



I'm not sure whether the American people understand the way the Sino-US relationship is changing, but the Chinese people's understanding of their own government is very clear. Before the communists took power, they were the group which clamoured most enthusiastically for human rights and democracy. It is impossible that they do not understand these concepts. But their autocratic rule has given them excessive power and they have no interest in honouring the promises they made to the masses.

The Chinese people's understanding of the US government's position, on the other hand, is not necessarily correct. The real effect of America's new China policies has been to convince the Chinese people that the image of the US the communist leadership has peddled to them for all these years is correct. The line is that the US government is a rich man's government controlled by capitalists and that—like the Japanese—the Americans do not care about violating their consciences to make a quick buck.

I do not believe this is the case, or rather I do not want to believe it. But when people disdainfully equate the democratic system of the United States with Japan's plutocratic system, what evidence can I offer against it?

### Northeast Asia

**Vice Premier Zhu Rongji Leaves for Japan 23 Feb**  
OW2302034194 Beijing XINHUA in English  
0311 GMT 23 Feb 94

[Text] Beijing, February 23 (XINHUA)—Chinese Vice Premier Zhu Rongji left here this morning for a nine-day official goodwill visit to Japan at the invitation of the Japanese Government.

At the airport, Zhu made an address and answered questions concerning Sino-Japanese relations and other issues, raised by Chinese and foreign journalists.

Seeing the vice-premier off at the airport were Luo Gan, State Councillor and secretary-general of the State Council, other senior Chinese officials and Japanese Ambassador to China Michihiko Kunihiro.

**Zhu Rongji Gives Press Conference on Arrival in Tokyo**

OW2302065494 Beijing XINHUA in English  
0644 GMT 23 Feb 94

[Text] Tokyo, February 23 (XINHUA)—Chinese Vice Premier Zhu Rongji arrived here today for a nine-day visit to Japan during which he will exchange views with Japanese leaders on further developing bilateral ties.

Zhu is the highest-level Chinese official to visit neighboring Japan since Morihiro Hosokawa, the first prime minister from outside the Liberal Democratic Party in 38 years, took office last August.

The trip, which will last through March 3, comes at a time when bilateral trade and investment between China and Japan has reached an all-time high.

"The friendly and cooperative relationship between China and Japan has ushered in a new era of development thanks to joint efforts made by our two governments and two peoples," Zhu said in a prepared statement upon his arrival at the Haneda airport.

"It is in the long-term interest of the two peoples, as well as a benefit to peace, stability and prosperity in the Asia-Pacific region and the world at large, for China and Japan to further strengthen and develop such a relationship," he said.

Zhu said he wants to help deepen mutual understanding and promote bilateral cooperation through his Japan tour.

In his scheduled meeting with Hosokawa, and talks with Foreign Minister Tsutomu Hata and other top government officials on Thursday, the vice premier will urge Japan to deepen cooperation with China, Chinese officials said.

The Japanese leaders will renew support for China's efforts to retain signatory status in the General Agreement on Tariffs and Trade (GATT), a Japanese Foreign Ministry official said.

Japan sees China's reentry into GATT as an important factor for stability in the Asia-Pacific region, the official added.

Zhu and Hata are also expected to discuss security in the region, and the tense situation on the Korean peninsula.

Zhu is scheduled to pay a courtesy call on Emperor Akihito at the imperial palace on Friday.

During his stay in Japan the vice premier will also meet business leaders, including those from the powerful federation of economic organizations, and urge them to help increase Japan's investment in China. Japan is now China's second largest trade partner following the United States.

Zhu is also scheduled to deliver a speech Thursday explaining China's macro-economic policy and reform efforts.

Zhu's entourage consists of top government officials in charge of China's economic, trade, financial, and banking affairs.

### Further on Press Conference

OW2302080994 Beijing XINHUA in English  
0755 GMT 23 Feb 94

[Text] Beijing, February 23 (XINHUA)—Vice-Premier Zhu Rongji left here this morning on an official goodwill visit to Japan at the invitation of the Japanese Government.



At the airport, Zhu spoke and answered questions concerning Sino-Japanese relations and other issues, raised by Chinese and foreign journalists.

Zhu said his visit is aimed at calling on old friends while making new ones, enhancing friendship, deepening mutual understanding, promoting cooperation and development.

He hoped the visit will lift the friendly Sino-Japanese relations to a new level.

Japan is a friendly neighbor of China, Zhu said, and Sino-Japanese relations have been developing constantly, especially during the past few years.

The trade volume between China and Japan hit a record high of 39 billion U.S. dollars last year, up 54 percent from 1992. As a result, Japan replaced Hong Kong as the top trade partner of China, while China became Japan's second largest trade companion, Zhu noted.

But the volume is small, compared with the huge potential of economic, trade and technological cooperation between China and Japan, he said.

"So we should explore and expand channels in every sphere to further strengthen our friendly cooperation," Zhu said. "It is not only beneficial to China and Japan but to peace, stability and development in the Asian and Pacific region as well as the world."

Zhu said 1994 is the key year for the formation of China's socialist market economic system, as a part of which, various major reform measures have been announced from January 1.

In the first 50 days of this year, reforms have been carried out smoothly with no serious issues surfacing. At the same time, prices and public feelings remain stable, Zhu said.

"We are determined to continue the reforms and carry them through to the end," Zhu said.

Japan is also at a turning point to take important steps to reinvigorate its economy, Zhu said. "At this time, I believe that both sides are interested in and have need of dialogue and exchanges."

Zhu said his delegation is looking forward to conducting friendly meetings with Japanese officials and people from various circles.

Answering questions about China's economic development, Zhu pointed out that China's economy will not witness another over-heating.

China has strengthened its macro-economic control and regulation policies since 1993, which were supported unanimously by the whole nation and the whole Communist Party and have reaped obvious results, Zhu said.

As for the current high speed of economic growth, Zhu said, it is decided by China's economic conditions. "We

should avoid sudden ups and downs, and should preserve a fast, constant and healthy economic development," he added.

Zhu said China's economy will keep a growth rate of 9 percent or so this year, which can be repeated in fast and constant growth of the economy."

Among Zhu's entourage were He Chunlin, deputy secretary-general of the State Council, Gan Ziyu, vice-minister of the State Planning Commission, and Tang Jiaxuan, deputy foreign minister.

Seeing the vice-premier off at the airport this morning were State Councillor and State Council Secretary-General Luo Gan, minister of the State Planning Commission Chen Jinhua, minister of the State Economic and Trade Commission Wang Zhongyu, minister of foreign trade and economic cooperation Wu Yi, Deputy Foreign Minister Dai Bingguo and Japanese Ambassador to China Michihiko Kunihiro.

#### Hu Jintao Meets Japan New Party Delegation

OW2202125294 Beijing XINHUA in English  
1101 GMT 22 Feb 94

[Text] Beijing, February 22 (XINHUA)—Hu Jintao, a senior official of the Communist Party of China (CPC), had a 50-minute discussion on furthering Sino-Japanese ties with visiting Japanese parliamentarians led by Kaieda Banri, a leading official from the Japan New Party, here today.

The visitors arrived here yesterday with the aim of making preparations for Japanese Prime Minister Morihiro Hosokawa's up-coming visit in March.

Hu, a Standing Committee member of the Political Bureau of the CPC Central Committee, told the visitors that Sino-Japanese relations are entering a new period of development as the two sides have seen marked growth of their friendship and cooperation since the normalization of relations 21 years ago.

China will, as always, continue to promote exchanges and deepen mutual understanding with the Japanese ruling and opposition parties, and join hands with them in carrying on the China-Japan friendship from generation to generation, Hu said.

He also briefed the visitors on China's economic development and the on-going reform and opening-up drive.

Banri said that the Japan New Party is ready to work for long-term Japan-China friendship. He also handed Hu a letter from Prime Minister Hosokawa for Chinese President Jiang Zemin.

Sun Pinghua, president of the China-Japan Friendship Association, was among those present at the meeting.

**Southeast Asia & Pacific****Jiang Zemin Greets Sultan Bolkiah on Brunei National Day***BK2202140794 Beijing China Radio International in Malay 1230 GMT 22 Feb 94*

[Message from President Jiang Zemin to Sultan Haji Hassanal Bolkiah of the State of Brunei Darussalam on the 10th anniversary of the National Day of the State of Brunei Darussalam dated 22 February]

[Text] Bandar Seri Begawan,

Your Majesty Sultan Haji Hassanal Bolkiah,

On the occasion of the 10th anniversary of the National Day of the State of Brunei Darussalam, I on behalf of the Chinese Government and people and on my own behalf would like to extend warm congratulations and wishes to you and to the government and people of the State of Brunei Darussalam.

Since the establishment of diplomatic relations between China and Brunei Darussalam, friendly relations and cooperation between the two nations have developed smoothly. In particular, your successful state visit to China last year elevated relations between the two nations to a new stage.

I am confident that friendly relations and cooperation between the two nations, China and Brunei Darussalam, which were established on the basis of the five principles of peaceful coexistence, will be further developed.

May the State of Brunei Darussalam prosper and its people be happy.

[Signed] Jiang Zemin, president of the People's Republic of China.

[Dated] 22 February 1994.

**Qian Sends National Day Greetings to Brunei Counterpart***BK2202140594 Beijing China Radio International in Malay 1230 GMT 22 Feb 94*

[Congratulatory Message from PRC Foreign Minister Qian Qichen to Prince Mohamed Bolkiah of the State of Brunei Darussalam on the 10th anniversary of the National Day of the State of Brunei Darussalam dated 22 February]

[Text] Bandar Seri Begawan,

Your Highness Prince Mohamed Bolkiah, minister of foreign affairs of the State of Brunei Darussalam,

I would like to extend warm congratulations to you on the occasion of the 10th anniversary of the National Day of the State of Brunei Darussalam.

May the State of Brunei Darussalam achieve greater successes in national development and friendly relations and cooperation between the two nations, China and Brunei Darussalam, continue to develop.

[Signed] Qian Qichen, state councillor and minister of foreign affairs of the People's Republic of China.

[Dated] 22 February 1994.

**Lao Prime Minister Talks With Outgoing Envoy About Ties***OW1802144494 Beijing XINHUA Domestic Service in Chinese 1353 GMT 13 Feb 94*

[Text] Beijing, 13 Feb (XINHUA)—Khamtai Siphandon, chairman of the Lao People's Revolutionary Party and prime minister of the Lao Government, pointed out that traditional friendship and cooperation between the parties, states, and peoples of the two countries have been constantly cemented and strengthened and that such friendship and cooperation have entered a new stage of development.

He made the above remarks while meeting with Huang Guocai, the outgoing Chinese Ambassador to Laos on 12 February.

During the meeting, Khamtai recalled his visit to China at the end of last year. He said he personally witnessed the tremendous changes in China and greatly felt the in-depth feelings of the Chinese people toward the Lao people. Khamtai expressed gratitude to the Chinese Government and people for rendering consistent support and assistance to the Lao people in their struggle for national independence and in their reconstruction of the country.

Khamtai added that as Laos is endowed with rich agricultural, forestry, and hydraulic resources, Laos and China have bright prospects for developing a mutually beneficial economic cooperation.

**Lao President Meets Outgoing Ambassador***OW2302094094 Beijing XINHUA Domestic Service in Chinese 0830 GMT 20 Feb 94*

[Text] Beijing, 20 Feb (XINHUA)—Vientiane: Lao President Nhouhak Phoumsavan said on 18 February that the Lao party and Government are satisfied with the all-round, in-depth development of friendly and cooperative relations between the Lao and Chinese parties and countries.

He made the statement here in a meeting with outgoing Chinese ambassador Huang Guocai.

Nhouhak pointed out: Lao and Chinese leaders have maintained close contacts with each other in recent years. Delegations from various departments at different levels have frequently visited each other. This has improved mutual trust and friendship. Cooperation in the economic and cultural fields have also developed rapidly and produced gratifying results.



He said: The two countries have satisfactorily resolved the border issue left over from history in a very short period. They have successively signed the "Sino-Lao Border Treaty" and the "Sino-Lao Border System Treaty." This has not only laid a stronger foundation for the good-neighborly and friendly relationship between the two countries but also established a model for peacefully resolving disputes between countries in this region.

Nouhak said: The Lao party and government follow with great interest the splendid achievements of China's in-depth reform and expanded opening up. They are pleased to see that China is more stable politically and socially, its economy prospers with each passing day, and its people's living standards further improve. He wished the Chinese people, under the leadership of the CPC headed by General Secretary Jiang Zemin, achieve even greater victories in building socialism with Chinese characteristics.

#### **Lee Kuan Yew To Sign Agreement on Suzhou Project**

OW2202152294 Beijing XINHUA in English  
1435 GMT 22 Feb 94

[By Cai Ximei]

[Text] Singapore, February 22 (XINHUA)—Lee Kuan Yew, senior minister of Singapore will sign the agreement on development and transfer Singapore software to Suzhou industrial township.

Singapore Prime Minister Goh Chok Tong and Chinese Premier Li Peng will attend the signing ceremony at the weekend.

Lee said that the prospects of the Suzhou project are "good", "a well planned township in Suzhou will proceed at a slower pace than Shenzhen, but the long-term results will be better."

His remarks were contained in an written interview with XINHUA here today.

Asked why Singapore chose Suzhou as the venue of the joint government project, Lee said because it is in the Chang Jiang delta and close to Shanghai, the dragon's head of the Chang Jiang valley. "It is a medium-size township, smaller than Singapore, and therefore its scale of work is what Singapore officials have handled before."

He underlined that the main feature of the project "will be on long term planning which takes into account the environment, aesthetics, the convenience of the residents who will live and work in it, and of the commercial and financial services that will cater to the industries and the residents."

In the Singapore-Suzhou industrial township, he said that industrial, residential and commercial facilities would be planned, implemented and administered as one integrated whole, as in Jurong town in Singapore.

Lee Kuan Yew is the initiator of the Suzhou project, which has been supported by the Chinese Government. Singapore will develop a industrial town with an area of 70 sq kilometres in Suzhou in the next 10-15 years and will transfer Singapore economic development and management experiences to Suzhou.

On "software", he said the hardware is the "tangibles", what people can see and feel in buildings, roads and physical infrastructure. But the software is "intangibles", which includes: drawing up and implementation of the plans, management of the township as well as creation of conditions which are attractive to investors and favorable to residents.

He also saw some difficulties in the procedures. "The difficulties lie in transferring the methods developed in Singapore into Suzhou, because these methods have to be adapted to fit into the system in China. Therefore Suzhou, Jiangsu and Beijing officials have to encourage creative adjustments and adaptations."

"It is like bud-grafting Singapore methods of urban and social organization on to a Chinese tree with roots in Chinese soil," he said.

Lee will leave here on February 24 to visit Beijing and Tianjin.

#### **Jiang Zemin Confident in Future of Ties With Vietnam**

OW2302085094 Beijing XINHUA in English  
0829 GMT 23 Feb 94

[Text] Beijing, February 23 (XINHUA)—Chinese President Jiang Zemin expressed confidence that the China-Vietnam good-neighborly ties and mutually beneficial cooperation will continue to move forward under the five principles of peaceful co-existence.

Jiang made the remarks when he met Nong Duc Manh, chairman of the National Assembly of Vietnam, and a delegation of the Assembly here today.

Jiang pointed to the fact that frequent high-level exchanges between the two countries have resulted in marked development of the bilateral ties in recent years.

During Vietnamese President Le Duc Anh's recent visit to China, Jiang continued, the two sides reached agreement on a number of important issues through a series of discussions.

He further pointed out that consolidation and furtherance of the Sino-Vietnamese ties is in accord with the fundamental interests of the two peoples and useful to regional peace, stability and development.

Jiang briefed the visitors on China's on-going drive to build a socialist market economy.

Nong told Jiang that China's experience in boosting the economy and in the reform and opening-up drive is



useful to Vietnam which is also engaged in implementing an opening-up and reform program.

#### **Jiang Zemin Meets Vietnam's Nong Duc Manh**

*OW2302095794 Beijing XINHUA Domestic Service in Chinese 0653 GMT 23 Feb 94*

[Reporter Zhang Yijun (1728 4135 0193)]

[Text] Beijing, 23 Feb (XINHUA)—While meeting with Nong Duc Manh, chairman of the National Assembly of Vietnam, this morning at Zhongnanhai, President Jiang Zemin expressed the belief that the China-Vietnam good-neighborly, friendly, and mutually-cooperative relationship will surely keep on developing on the basis of the five principles of peaceful co-existence.

The Nong Duc Manh-led Vietnamese National Assembly delegation is the first delegation of Vietnam's National Assembly to visit China since the normalization of diplomatic relations between China and Vietnam. Jiang Zemin welcomed the visit of Nong Duc Manh and his party.

Jiang Zemin said that the Sino-Vietnamese relationship has seen great development in recent years and that there have been frequent high-level exchanges between the two countries. During the recent visit of Vietnamese President Le Duc Anh to China, both sides exchanged views on bilateral relations and on international and regional issues and reached common understanding over many major issues.

Jiang Zemin added that further consolidation and enhancement of the good-neighborly, friendly, and mutually-cooperative relationship is not only in accord with the fundamental interests of the two countries and peoples, but also will be conducive to peace, stability, and development in the region.

During the meeting, Nong Duc Manh briefed Jiang Zemin on Vietnam's socio-economic development. He said as Vietnam is implementing the policy of reform and opening up, Vietnam can borrow from China's many successful experiences in the areas of reform and opening up.

Jiang Zemin also gave a short briefing to the Vietnamese guests on China's reform, opening up, and on building a socialist market economy.

During the meeting, Nong Duc Manh conveyed greetings to President Jiang Zemin from Do Muoi, general secretary of the Communist Party of Vietnam Central Committee; President Le Duc Anh; and Premier Vo Van Kiet. Jiang Zemin asked Nong Duc Manh to convey his greetings to General Secretary Do Muoi, President Le Duc Anh, and Premier Vo Van Kiet.

Wang Hanbin, vice chairman of the Standing Committee of the National People's Congress, was present at the meeting.

#### **Qiao Shi Meets Vietnamese National Assembly Chairman**

*OW2202140594 Beijing XINHUA in English 1307 GMT 22 Feb 94*

[Text] Beijing, February 22 (XINHUA)—China owes its stability and development to the reform and open policy that has been implemented over the past 15 years, top Chinese legislator Qiao Shi said here today.

Qiao Shi, chairman of the Standing Committee of the National People's Congress (NPC) of China, made these remarks when he met with Nong Duc Manh, chairman of the National Assembly of Vietnam, here this afternoon.

Nong and his party arrived in China February 21 as guests of NPC's Standing Committee. This is the first Vietnamese parliamentary delegation to visit China after the normalization of ties between the two countries.

Qiao Shi appreciated the increasing exchange of visits by leaders of the two countries and the growing bilateral cooperation in political, economic and other spheres since the normalization of relations between the two countries, saying that that has laid a good foundation for the two countries to further their cooperation.

Qiao told the Vietnamese guest that political and social stability and economic development have enabled China to stand the tests of the drastically changing international situation.

The experience of Western countries in economic development is the creation of working peoples and is a common treasure of all mankind, Qiao said. "We should study these experiences and absorb those best suited to China's actual conditions."

Nong expressed the hope that the visit would enhance the mutual understanding and friendship between the people of the two countries and help to usher in a new phase of friendly cooperation between Vietnamese National Assembly and China's NPC.

"We would like to know more about China's reform and opening and further bilateral economic cooperation," he said.

With Vietnam now undergoing reforms, its National Assembly is faced with the heavy task of passing new laws, Nong said.

China's NPC has accumulated a lot of experience in this regard, which is worth learning, he said.

He suggested that the two parliaments should enhance their exchanges, especially the cooperation and exchanges between the two sides' special committees.

NPC Vice-Chairman Wang Hanbin was present at today's meeting.

**Cultural Exchange Plan Signed With Vietnam**

OW2202170894 Beijing XINHUA in English  
1609 GMT 22 Feb 94

[Text] Hanoi, February 22 (XINHUA)—China and Vietnam today signed an executive plan for improved cultural exchange between the two countries.

Under the plan, they will further strengthen their cultural cooperation and exchange in 1994.

About 30 groups including writers, artists, and those involved in the film, opera, photography and dancing sectors will exchange visits.

Meanwhile, film weeks and painting exhibitions will also be staged in the two countries.

The chief of the Bureau for Relations With Foreign Countries of the Chinese Culture Ministry, Wu Chunde, and the Vietnamese Culture and Information Vice Minister Vo Khac Lien signed the plan on behalf of their respective governments.

Wu Chunde, who was leading a government cultural delegation, arrived here on Monday for a week-long visit to Vietnam.

**Near East & South Asia**

**Zou Jiahua Meets Israeli Economics, Planning Minister**

OW2202141794 Beijing XINHUA in English  
1313 GMT 22 Feb 94

[Text] Beijing, February 22 (XINHUA)—Chinese Vice-Premier Zou Jiahua met here this afternoon with visiting Israeli Minister of Economics and Planning Shim'on Shetrit and his party, and they exchanged views on issues of common concern.

The Israeli visitors arrived here Monday [21 February] at the invitation of China's State Planning Commission. Besides Beijing, they are also scheduled to visit Shanghai and Dalian.

**Israeli Economics Minister Discusses China Trip**

OW2202171094 Beijing XINHUA in English  
1527 GMT 22 Feb 94

[Text] Beijing, February 22 (XINHUA)—A high-ranking Israeli official said here today that Israeli-Chinese economic cooperation has a bright future.

Visiting Israeli Minister of Economy and Planning Shim'on Shetrit told Chinese journalists that his current visit will offer more chances for bilateral economic and trade ties.

The Israeli visitors arrived here Monday at the invitation of China's state planning commission. During his

stay here, Shetrit has held talks with relevant Chinese Governmental departments.

He expressed his satisfaction with these talks, saying that the two sides exchanged views on issues concerning economic planning, development of backward areas and reform of the economic structure.

The two sides also discussed how to further bilateral cooperation on investment, economy and trade and telecommunications, he added.

He pointed out that the two countries had made great progress on economic and trade cooperation since establishing diplomatic relations. The two-way trade volume has reached 150 million U.S. dollars.

**Sino-Indian Border Talks in New Delhi End**

OW2302084194 Beijing XINHUA Domestic Service in Chinese 1607 GMT 4 Feb 94

[Reporter Li Guorong (2621 0948 2837)]

[Text] New Delhi, 4 February (XINHUA)—The first two-day meeting of the diplomatic and military experts group on Sino-Indian border issues concluded here today.

According to the Chinese experts group, experts from both sides exchanged views during the meeting on solving as early as possible the issue of close-range military confrontation in certain territorial sectors along the line of actual control on the Sino-Indian borders [bian jie shi ji kong zhi xian mou xie di duan di jin ju li jun shi dui zhi wen ti 6708 3954 1395 7139 2235 0455 4848 2673 0067 0966 3008 4104 6602 6415 4418 6511 0057 1417 1492 0795 7344]; they also discussed the experts groups' scope of functions and powers, future tasks and work methods, and basically reached consensus on certain issues.

Both sides agreed that the next meeting of the experts groups will be held in Beijing within the next few months to continue discussions on the aforementioned issues.

The Sino-Indian border issue experts groups were established according to the agreement on maintaining peace and tranquility along the line of actual control on the Sino-Indian border signed by the two countries during Indian Prime Minister Rao's visit to China last September.

The 11-member China's experts group will leave here for home on 6 April [as received].

**Qian Qichen, Pakistani Counterpart Confer in Islamabad**

OW2202125794 Beijing XINHUA in English  
1103 GMT 22 Feb 94

[Text] Islamabad, February 22 (XINHUA)—The visiting Chinese Vice-Premier and Foreign Minister Qian Qichen appreciated today Pakistan's recent offer to



discuss the rescheduling of bilateral talks with India on the Kashmir issue after ramazan (fasting month for Muslim).

During his formal talks with Pakistan Foreign Minister Sardar Asif Ahmad Ali here today, Qian expressed the hope that Pakistan and India would make progress in resolving the Kashmir issue through dialogues.

As a neighboring country to both Pakistan and India, China is concerned about the Kashmir issue, said Qian, who arrived here on Monday evening on a four-day official visit to Pakistan.

Pakistan Foreign Minister Asif briefed the Chinese guest about the Kashmir situation and Pakistan's efforts to bring about the settlement of the issue.

The two foreign ministers expressed their satisfaction at the smooth development of the bilateral relations between China and Pakistan.

During the meeting, Asif said that Pak-China friendly relations are sound and have made progress in all fields.

He expressed the hope that the two countries would further develop the friendly and mutually beneficial relations.

Qian Qichen said Sino-Pak friendship is time-tested and the bilateral relations have seen all-round development since the two countries established diplomatic ties over 40 years ago.

Such friendship is not only in the interests of the two countries but also conducive to the maintenance of peace and stability in this region and Asia as a whole, Qian said.

The two sides also exchanged views on mutually beneficial cooperation in all fields, on regional security and economic cooperation as well as on the international situation.

Qian also appreciated Pakistan's efforts for settling difference among various Afghan parties to restore peace and stability in war-torn Afghanistan.

#### **Qian Qichen Calls on Pakistan Parliamentary Leaders**

*OW2202141994 Beijing XINHUA in English  
1301 GMT 22 Feb 94*

[Text] Islamabad, February 22 (XINHUA)—The visiting Chinese vice-premier and foreign minister, Qian Qichen, called on Pakistan Senate Chairman Wasim Sajjad and National Assembly Speaker Yusuf Gilani respectively here today.

During the meeting, Qian Qichen exchanged views with the two Pakistan parliament leaders on bilateral issues.

Qian, who arrived here on a four-day official visit to Pakistan, said no matter how the global situation changes, Sino-Pakistan friendship will remain the same.

Sino-Pakistan friendship is based on mutual trust, equality, mutual benefit, non-interference in each other's internal affairs, he said.

The friendly bilateral relations on basis of the five principles of peaceful co-existence are unbreakable, he added.

"Pakistan is an important country in South Asia. We appreciate Pakistan's efforts to maintain peace and stability in the region," he said.

China and Pakistan have been cooperating well not only in bilateral relations but also in international issues, he said.

Qian expressed the hope that Pakistan Senate and National Assembly would increase exchange of visits with Chinese People's Political Consultative Conference and the National Congress to further promote the development of bilateral relations of the two countries.

The two Pakistan parliament leaders expressed satisfaction at the present relations between the parliaments of the two countries.

Both are of the view that Pak-China friendship is time-tested and China is a reliable friend of Pakistan.

They also congratulated China on its rapid economic development in recent years.

### **West Europe**

#### **XINHUA Interviews French Senate President**

*OW1802014494 Beijing XINHUA Domestic Service in Chinese 0536 GMT 17 Feb 94*

[By reporter Liang Guihe (2733 6311 0735)]

[Text] Paris, 16 Feb (XINHUA)—During an interview with a Xinhua News Agency reporter today, French Senate President Rene Monory pointed out: As permanent members of the UN Security Council, France and China should continue to coordinate their actions in political affairs. The two countries are highly supplementary to each other in economic activities, science and technology, and culture. They should keep developing in-depth, equal, mutually beneficial, and friendly cooperation.

Senate President Monory is scheduled to arrive in China on 22 February for a formal, friendly visit at the invitation of Qiao Shi, chairman of the Standing Committee of the National People's Congress. He will be the first French Senate president to visit China since the two countries established diplomatic ties 30 years ago. Monory told the reporter that, during his visit, he will meet with Chinese leaders for discussions on ways to



improve and strengthen political, economic, cultural, and scientific and technological cooperation between the two countries.

Monory expressed admiration of the success China has achieved in economic construction. He said: China is a big country with a population of more than 1 billion. The economy enjoys very rapid development at an annual growth rate of more than 10 percent. He continued: "It is a major event to which people cannot but attach importance." "Everyone in Europe and particularly in France is talking about China now."

Touching on relations between the two countries, Monory said: In the past few months, the French Government issued several statements, "unequivocally" guaranteeing that France will no longer sell arms to Taiwan. "It clearly indicates that the French Government is willing to develop friendly economic and political relations with China." He continued: "I completely agree with the Government's stand" on the issue. He said that the main purpose of his visit to China is to further improve and promote friendly Sino-French cooperation. He stressed that, as a major country in Western Europe, France should play an active role in promoting the development of political and economic relations between China and Western Europe.

Monory held: The potential for France and China to expand cooperation is tremendous. The two countries are highly supplementary to each other in economic cooperation and trade. China's rapid economic development is in the interests of Europe. He maintained: The development of economic and technical cooperation between the two countries should not be limited to only large enterprises and large construction projects. They should bring into full play the role of medium and small-sized enterprises and strengthen exchanges between provinces and municipalities. France may take advantage of its scientific and technological superiority to participate in China's economic development.

In his capacity as minister of national education, Monory visited China in 1988. Looking back on the visit, he said that, during his meeting with Li Peng and other Chinese leaders then, they focused discussions on developing cooperation between the two countries in culture, education, and personnel training. He said long-term friendship should be established between France and China, and bilateral cooperation should be expanded to all fields of endeavor.

#### **Central Leaders Meet Visiting French Senate President**

##### **Li Peng Meets Leader**

OW2202142594 Beijing XINHUA in English  
1400 GMT 22 Feb 94

[Text] Beijing, February 22 (XINHUA)—Chinese Premier Li Peng said here today that China has always attached importance to its relations with France.

Though there were at one time difficulties and setbacks in Sino-French ties, the two countries have, on the whole, conducted fruitful cooperation in politics, economy and trade, science and technology, culture and other fields, Li noted.

The Chinese premier made the statement when he met with French Senate President Rene Monory at the Diaoyutai State Guesthouse here this evening.

Li said that through joint efforts, Sino-French relations have been improved and brought back onto the normal track.

Not long ago, the two sides celebrated the 30th anniversary of their diplomatic relations, Li recalled.

He expressed the belief that Monory's current visit and the forthcoming visit to China by French Prime Minister Edouard Balladur will help improve and enhance the development of the bilateral ties.

Li also briefed the guest on China's economic, scientific and educational situation as well as the pricing reform China is undertaking.

Monory conveyed to Li the best regards from Prime Minister Balladur.

In return, Li asked Monory to relay his best wishes to the French prime minister when he is back in France.

He expressed the hope that Balladur's visit would be a complete success.

With the improvement of Franco-Chinese ties, the exchanges and cooperation between the two parliaments and educational circles would further develop, Monory said, adding that he would do his utmost toward this direction.

After the meeting, Li and his wife Zhu Lin hosted a banquet in honor of Mr. Monory and his wife.

Chen Muhua, vice-chairman of the Standing Committee of the Chinese National People's Congress (NPC), was among present [as received] at the meeting and banquet.

Monory arrived here this morning for a five-day official visit at the invitation of China's National People's Congress Standing Committee.

##### **Rong Yiren Meets Leader**

OW2302120394 Beijing XINHUA in English  
1039 GMT 23 Feb 94

[Text] Beijing, February 23 (XINHUA)—Chinese Vice-President Rong Yiren, when meeting with visiting French Senate President Rene Monory here today, expressed the hope that Sino-French ties would be further developed.

Rong said that although there were at one time setbacks, Sino-French relations have been on a normal track in general since the two countries set up diplomatic ties 30 years ago.

He hoped that the two countries' relations will be further bolstered on the basis of non-interference in each other's internal affairs, mutual respect and mutual benefit.

Monory visited China in 1987 when he was French education minister. He said his current China tour is to strengthen the friendship and mutual understanding between the two countries.

The French Senate president also expressed the belief that the cooperation between the two countries will be enhanced.

Rong noted that the upcoming China visit by French Prime Minister Edouard Balladur is very important in the development of Sino-French ties.

Monory said: "The new French Government is quite aware of the importance of its relations with China and Prime Minister Balladur attaches great importance to the cooperation with China."

He added: "I hope his China tour will be a success."

Chen Muhua, vice-chairperson of the Standing Committee of the Chinese National People's Congress, was present in the meeting.

### East Europe

#### Bosnian Serbs Want To Achieve Peace Through Negotiations

OW2302022094 Beijing XINHUA in English  
0210 GMT 23 Feb 94

[Text] Pale, February 22 (XINHUA)—Bosnian Serb leader Radovan Karadzic said today that Serbs want to achieve final peace in Bosnia-Herzegovina through political negotiations.

In an exclusive interview with XINHUA, he said that if the ceasefire accord between Serbs and Muslims is carefully observed by the warring sides, the 22-month-old civil war will come to an end "within four or five months".

The ceasefire accord was signed soon after the NATO ultimatum issued on February 9, following the bombing of a crowded Sarajevo marketplace on February 5, killing 68 people and injuring over 200.

Karadzic said the bloodshed in Sarajevo has damaged the process of peace talks on Bosnia-Herzegovina crisis.

Meanwhile, he accused NATO of issuing the ultimatum and threatening air strikes against Serb positions, saying that the West is playing power politics toward small nations by showing off their military forces.

Karadzic said the Bosnian war could be ended if the international community treats all sides equally.

He thanked the Chinese government for opposing foreign military intervention in Bosnia-Herzegovina and insisting on a political resolution to the conflict.

Karadzic said the three ethnics (Serbs, Croats and Muslims) would be good neighbors provided they become separate states. He added that the relations between Serbs and Croats "are good now".

He urged the United States and Germany to exert pressure on Muslims so that "a genuine peace can finally come".

The Bosnian war has so far claimed 200,000 lives and produced millions of refugees. The war has also inflicted heavy blows to the economy in the former Yugoslavia.

#### 'Roundup' Views NATO Ultimatum for Bosnia

OW1902125794 Beijing XINHUA Domestic Service in Chinese 0804 GMT 19 Feb 94

["Roundup" by XINHUA reporter Wang Shujuan (3769 3219 1227): "Before the Deadline of NATO Ultimatum"]

[Text] Beijing, 19 Feb (XINHUA)—As NATO's ultimatum to all warring parties in Bosnia-Herzegovina reaches the countdown moment, subtle changes have emerged in the stand of all Bosnian-Herzegovinan conflicting parties and relevant countries.

Serbs in Bosnia-Herzegovina on 17 February began massive removal of cannons and other heavy weaponry from Sarajevo. At a meeting with UN special envoy Yasushi Akashi on 18 February, Serbian leader Karadzic assured Akashi that the heavy weapons deployed around Sarajevo will be placed under the effective supervision of UN peacekeeping forces before midnight 19 February.

Muslim forces in Bosnia-Herzegovina have also agreed to turn over heavy weaponry to the supervision of UN peacekeeping troops by the same deadline, and have already taken action to do so.

According to reports, the change in the Serbs' stand has to do with Russia's active mediation. After a meeting on 15 February with visiting British Prime Minister Major, who had gone to Moscow on a "persuasion mission," President Yeltsin explicitly told reporters that Russia could not be excluded from mediation in the Bosnia-Herzegovina question. President Yeltsin's special envoy Churkin had over the past few days continuously conducted mediations among all conflicting parties. On 17 February, Churkin and Karadzic reached agreement that on the condition that Russia dispatch 800 blue-helmet troops to Bosnia-Herzegovina, the Serbian armed forces would remove all heavy weaponry surrounding Sarajevo.



Russia has consistently taken a tough stance on NATO's ultimatum. A careful study yields three factors behind the Russian stance. First, Russia is extremely unhappy with the way the Western countries have bypassed the UN Security Council—in fact, Russia—in directly issuing the ultimatum to Bosnia-Herzegovina. Second, since Russia has always maintained traditional ties with the Slavic-speaking Serbs, abandoning the Serbs at a crucial moment is tantamount to forsaking Russian interests in the Balkan region. Third, a NATO air strike on Bosnia-Herzegovina would mean the first military operation conducted by the organization in the past 44 years since its inauguration; and to Russia, this is no different from recognizing the eastward thrust of NATO's defense line, which will seriously undermine Russia's strategic interests.

In the wake of the Serbs' 17 February announcement consenting to withdrawal of heavy weapons, German Chancellor Kohl has appealed to all concerned that before the deadline of NATO's ultimatum, every opportunity should be taken to seek a political settlement, which British Prime Minister Major has said may avert NATO's possible air strikes. Belgian Vice Prime Minister Claes has urged the United States and Russia to work together to seek a peaceful settlement of the Bosnia-Herzegovina question. France and the United States have expressed cautious optimism, while emphasizing that as far as the Serbs are concerned, it is necessary to "hear what they say and watch what they do" and to adopt a "wait-and-see" attitude. U.S. President Clinton has again sounded a warning 17 February that should the Serbs fail to hand over heavy weapons before the deadline, NATO will take its air raid plan "extremely seriously." French Foreign Ministry spokesman DeKay [name as published] stressed on the evening of 17 February that the Serbs "should meet all the conditions set in the NATO ultimatum."

Reportedly the NATO ultimatum, which was proposed by France, is aimed at ending the war and bringing about peace through exerting pressure on France's neighbor as soon as possible to reverse the stalemate situation in spite of the EC states' energetic mediation; it is also aimed at paving the way for France to regain its status as a political power. To this end, France abandoned the UN banner, which it had consistently upheld in the past, and proposed a direct NATO ultimatum to Bosnia-Herzegovina. Meanwhile, France has also realized that armed settlement can only be the "last resort," and has strived to resolve the crisis and seek political settlement within the scope of a joint action by the EC, the United States, and Russia.

It is understood that the foreign ministers of Russia, Germany, Greece, and Belgium and EC officials concerned held a joint meeting in Athens 18 February to continue the search for a peaceful settlement of the Bosnia-Herzegovina question.

In another development, UN special envoy to former Yugoslavia Aikxy [name as published] held "useful

talks" with Muslim leader Izetbegovic in Sarajevo 18 February. Beginning 19 February, UN peacekeeping forces will inspect the vicinity of Sarajevo and examine the removal of heavy weaponry by the Serbs and Muslims. A NATO spokesman declared on 18 February that before the complete withdrawal of the Serbs' heavy weaponry, NATO's determination to conduct air strikes on Bosnia-Herzegovina remains unchanged. It is understood that the defense ministers of the United States, Britain, France, Italy, and the Netherlands will meet at Italy's Aweiyuanuo [name as published] Air Base 20 February to make the final decision on air strikes.

#### **Qian Qichen Meets Romanian Vice Foreign Minister**

*OW1902095494 Beijing XINHUA in English  
0905 GMT 19 Feb 94*

[Text] Beijing, February 19 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen met and had a friendly conversation with Gheorghe Tinca, secretary of state for foreign affairs of Romania, here this afternoon.

During the meeting, Qian expressed his belief that the friendly and cooperative relations between China and Romania will be further developed in this year.

Tinca said that Romania will try its utmost to further strengthen bilateral cooperation in various fields.

This morning, Chinese Vice-Foreign Minister Dai Bingguo held talks with Tinca. The two exchanged views on bilateral ties and international issues of common concern.

Tinca arrived here yesterday for consultations between the foreign ministries of the two countries. He is also scheduled to tour Shanghai and South China's Hainan Province.

#### **Slovakia's Meciar To Pay Official Visit 20-28 Feb**

*OW1902141194 Beijing XINHUA Domestic Service in Chinese 0835 GMT 19 Feb 94*

["Man in the News" feature: "Premier Meciar of the Slovak Republic"]

[Excerpts] Beijing, 19 Feb (XINHUA)—At the invitation of State Council Premier Li Peng, Premier Vladimir Meciar of the Slovak Republic will pay an official visit to China from 20 through 24 February.

Meciar was born in 1942 in Zvolen County, the Slovak Republic. After he graduated from middle school in 1959, he worked at the local Zdiar County Commissariat Economic Department. After completing military service, he worked at the Czechoslovak Youth League. From 1967 to 1968, he worked as vice chairman of the Zdiar County Commissariat Supervisory Committee. Later, he worked at the Czechoslovak Youth League, and was also a worker.



After completing the Comenius University Law Department correspondence course in Bratislava, he worked as a lawyer for the Nemcova Packaging Glass [bao zhuang bo li 0545 0944 3788 3863] Plant.

In January 1990, he assumed the post of interior and environment minister of the Slovak Republic. From June 1990 to April 1991, he was the government premier of the Slovak Republic. In June 1991, he was elected chairman of the Movement for Democratic Slovakia. In June 1992 after the Movement for Democratic Slovakia won a general election, he again became the premier of the Slovak Republic.

Meciar is married and has three children.

#### **Meciar Ends First Day of Visit**

*LD2102220794 Bratislava Rozhlasova Stanica  
Slovensko Network in Slovak 1730 GMT 21 Feb 94*

[Excerpts] Slovak Premier Vladimir Meciar, who is paying a three-day official visit to China, has ended the first day of his stay.

From the point of view of the talks this was a significant day. He met the highest representatives of this enormous state. Our correspondent Michal Michalcik telephoned from Beijing:

[Begin recording] [Michalcik] [passage omitted] The most important result is that both sides are interested in broadening and deepening mutual cooperation in power engineering, transport, telecommunications, and chemical and engineering industries. The agreement on trade and economic cooperation was signed at 1115 [local time]. Premier Vladimir Meciar said on this occasion:

[Meciar] This agreement creates a new legal basis.

[Michalcik] Does this mean that in comparison—for example, with Japan, Asian countries, or advanced West European countries—we have a chance to enter the Chinese market?

[Meciar] Let the figures speak for themselves. The turnover of the Slovak Republic for last year was \$37 million, while the turnover of the Czech Republic was \$370 million. So there is a markedly undervalued potential we can develop in the future and [words indistinct] where we can be successful.

[Michalcik] Regarding the agreement, within the framework of bilateral relations with China we signed the following documents: an agreement on prevention of double taxation, an agreement on support and protection of investments, and an agreement on technical and economic cooperation. [passage omitted on agenda and changing China]

#### **Meciar Goes to Shanghai**

*OW2202132894 Beijing XINHUA in English  
1040 GMT 22 Feb 94*

[Text] Beijing, February 22 (XINHUA)—Visiting Slovak Prime Minister Vladimir Meciar expressed his belief that Slovakia-China cooperation in the fields of trade and economy will grow quickly.

He made the remark here this afternoon at a news conference.

"There are great potentials for cooperation between our two countries. The agreement on trade and economy signed by the two governments will provide a firm legal basis for our future cooperation," said Meciar.

"China has a huge market as well as great economic potential, which is sure to expand in the future. We are glad to have opportunities to cooperate with China."

Meciar emphasized: "the People's Republic of China is one of the first countries which recognized Slovakia's independence, and is also the first Asian country to set up an embassy in the capital of Slovakia."

Meciar said Slovak people attach great importance to such an attitude by China to Slovakia.

Replying to a question about Taiwan, Meciar said that the Government of People's Republic of China is the sole legal Government of China, and Slovakia does not support Taiwan's admission into the United Nations.

"The trade and commercial relations between Slovakia and Taiwan will never grow to the stage or level of political recognition," Meciar said.

He noted that the issue of Taiwan is China's internal affair, and it is only the Chinese people who can decide the arrangement concerning Taiwan.

Meciar also answered questions about regional issues in Europe.

Meciar and his party visited the Great Wall this morning and left for Shanghai, the biggest industrial city in China, this afternoon.

#### **Arrives in Shanghai**

*OW2202145094 Beijing XINHUA in English  
1344 GMT 22 Feb 94*

[Text] Shanghai, February 22 (XINHUA)—Visiting Slovak Prime Minister Vladimir Meciar arrived here this afternoon by plane after winding up his visit to Beijing, the capital of China.

After his arrival, Mayor Huang Ju of Shanghai, met with the Slovak prime minister and his party.

## Political & Social

**RENMIN RIBAO Interviews Personnel Minister**  
*HK2302032094 Beijing RENMIN RIBAO in Chinese*  
13 Feb 94 p 3

[Report on interview with Song Defu, minister of personnel, by staff reporter Zhai Qiyun (5049 0796 6663); place and date not given: "Reform the Personnel System To Meet the Needs of the Market Economy"]

[Text] In the process of expediting building the socialist market economic system, the way in which personnel work adapts to this basic change is a problem which concerns the people very much and which they badly need to understand. For this reason, this reporter interviewed Minister of Personnel Song Defu, asking him to talk about the work in, and the idea behind, expediting reform of the personnel system.

Song Defu gave a briefing on the situation and said that, according to the needs of the socialist market economic system, the general idea behind the future reform of the personnel system in our country is: Increase the weight of the reform, quicken the pace of reform, and gradually establish a personnel management system which corresponds to the socialist market economic system. That is to say, establish a good personnel system for managing different types of establishments, a scientific and reasonable system to distribute wages, a multifold social insurance system, a macropersonnel management system, a system of personnel markets, and a system of personnel regulations.

Building and implementing a public service system is the key point in this year's reform of the personnel system. Song Defu said that in 1994 we must create a good beginning for implementing the public service system. This year also, on the foundation of the reform of government organs, various departments under the State Council and a majority of provincial government departments and the government departments of the separately listed cities, we must establish a rudimentary shape for the public service system and change the current personnel into public servants. Whether units carry out reform of organs or not, when they hire nonleading personnel below the rank of a presiding member of an administrative section, they must hold open examinations, judge qualifications strictly, and hire the best candidates.

Based on the: Needs of the market economy; nature, functions, duties, and characteristics of the institutions; and on the law of personnel growth, the reform of the personnel system in institutions must follow the road of "cutting links, dividing types, delegating power, and invigoration."

Based on the need to build a modern enterprise system, we must expedite reform of the personnel system in enterprises and develop steps to cancel the barriers

between cadres and workers, between cadres under different ownership systems, and between cadres under different operational patterns within enterprises, to form employment mechanisms wherein personnel can go up and down and in and out, wherein choices are bilateral, and wherein personnel flow in a rational manner. We must also develop and groom a contingent of high quality and professional entrepreneurs.

Building a sound, scientific, and rational wages system is an issue which attracts the people's attention. Song Defu pointed out that we must further implement the principles of distribution according to labor, giving priority to efficiency and giving consideration to fairness. We must also introduce competitive and stimulating mechanisms, break egalitarianism, reasonably widen the gap, and establish corresponding wages systems and normal wage growth mechanisms based on the inherent characteristics of various government organs and institutions. The CPC Central Committee and State Council are paying a great deal of attention to this reform of the wages system and, under the condition that the state has a relatively difficult financial situation, they have done a great deal of work to increase wages and considered as much as possible the interests of the various quarters, enabling the new wages system to enter its track and operate. Because there are many contradictions which have been accumulated during distribution of wages, they cannot be solved by a single reform and the key is to enable it to get onto the track first and then gradually perfect it.

Building a social insurance system for government organs and institutions is a rather difficult issue. When talking about this, Song Defu said that because the funds in organs, institutions, and enterprises are from different sources, the ways of managing these funds are also different. Generally speaking, when raising and using the funds, we must uphold the principles of combining rights, obligations, and the compulsory nature; of sharing by the state, units, and individuals; and of social security administration being separate from social insurance funds operations. We must actively carry out experiments, implement the easier ones first, and reach targets step by step. We must first establish a system of overall planning for pension funds for contract workers in organs and institutions and the old-age insurance system in institutions should first be built in institutions which operate on their own incomes and expenditures. At the same time, work must be done to build a social insurance system for government organs, especially for state public servants, while the work in building an insurance system for the unemployed and disabled must also be stepped up.

The building of a socialist market economic system has increased the demand for capable personnel in society, so there is an urgent need to build a sound personnel market system. Song Defu said that building a personnel market system means "five changes." That is, the change from idle personnel and personnel shortages to market exchange, to regulation between too much and too few personnel, and to rational distribution; the change from



ownership of personnel by units and organs to ownership of personnel by society, to meeting each other's needs, and to rational flow; the change from unilateral choices to bilateral choices in the flow of personnel; the change from "country markets" to "fixed markets" in the flow of personnel; and the change from the personnel resources distribution model characterized by "monopoly of supply and distribution," to the one wherein the personnel market plays a basic functional role in personnel resources distribution under the state's macro-management. We must gradually establish sound regulations for personnel market operations and form a personnel market which is flexible, open, efficient, orderly, and characterized by fair competition; we must establish systems in areas such as personnel flow, arbitration, and contracts, to protect the legitimate rights of the units hiring personnel as well as those of the individuals, to guide the flow of personnel, and to control the volume and speed of flow, so that the personnel market operates in an orderly manner and within the limits of the law. We must also struggle to build, before 2000, a nationwide personnel market system which can perform a complete set of functions, has sound mechanisms, is supported by a legal system, and which can provide timely guidance and good services.

On the issue of establishing a system of sound personnel regulations, Song Defu said that 1994 will be a year of legislation for personnel work and that we must formulate, as soon as possible, regulations supporting the public service system, such as the: "Procedures for Carrying Out Classification of Positions of State Public Servants"; "Provisional Regulations on Employing State Public Servants"; and the "Provisional Regulations on Examinations for State Public Servants." We must try to formulate temporary regulations on awards, training, promotion and demotion, and on appointment or dismissal. We must speed up the work in formulating regulations governing personnel markets and regulations on arbitration of disputes in the areas of personnel market management and personnel flow. In the area of personnel regulations for enterprises and institutions, we must formulate, as soon as possible, the "Regulations on Personnel Management for State-Owned Enterprises," the "Regulations on Personnel Management for Joint-Venture Enterprises," and regulations on the old-age insurance system and wages in institutions.

Song Defu said that building a market economic system has brought many new problems to personnel work, requiring personnel workers to seriously learn from Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics; seriously study the laws of market economy; adhere to the reform direction; and, when developing our excellent traditions, change the way of thinking which we have inherited from the planned economy, cast off the trammels of the old concepts which are not in accordance with the actual conditions of contemporary China, resolutely use the reform way of thinking to study the new situation, and use the reform method to solve new problems.

**State Security Ministry Sets Up Complaints Line**  
*HK2202150494 Beijing RENMIN RIBAO in Chinese*  
21 Feb 94 p 4

[Report: "Ministry of State Security Issues Circular on Use of 'Certificates of Investigation (zhen cha zheng 0259 1390 6086)'" ]

[Text] On 20 February, the Ministry of State Security of the PRC made an announcement:

In accordance with the relevant stipulations of the "State Security Law of the PRC" (hereafter called 'State Security Law' for short), in carrying out their state security work, working personnel of state security organs will use according to the law "certificates of investigation of the Ministry of State Security of the PRC" (hereafter called "certificates of investigation" for short), which are made and issued by the Ministry of State Security in a unified way and which will be applicable throughout the country. We are now publishing matters related to the certificates as follows:

1. The "certificates of investigation" are red and on the cover are character reading "certificate of investigation of the Ministry of State Security of the PRC" and a badge pattern composed of a shield, five stars, and the short sword of state security. On the inside cover are the photo, name, sex, unit, post, and number of the certificate holder, the issuing organ, and the functions and powers on the use of the certificate.
2. While carrying out their state security work according to the law, working personnel of state security organs are entitled to exercise the relevant functions and powers stipulated by the "State Security Law" by producing their "certificates of investigation."
3. Safeguarding state security is every citizen's duty. When working personnel of state security organs carry out their duties according to the law with their "certificates of investigation," individuals and organizations should actively provide them with convenient conditions and other forms of assistance in accordance with the relevant stipulations of the "State Security Law"; they shall not hinder or obstruct them by using any excuse. Those who violate this prohibition will be dealt with according to the law.
4. Every organization and individual is strictly prohibited from illegally using or forging "certificates of investigation" and those who violate this prohibition will be investigated and held responsible for their crimes.
5. In their state security work, state security organs and their working personnel must act in strict accordance with the law. They are prohibited from overstepping their authority, abusing the powers in their hands, and encroaching upon the legitimate rights and interests of organizations and individuals. Administrative measures will be taken against those who violate this prohibition according to the seriousness of the case. Those whose



cases constitute a crime will be investigated and held responsible for their crimes.

6. Every organizations and individual must report and lodge complaints against any such violation of the law and disciplinary codes as the overstepping of authority and abuse of power by state security organs and their working personnel. We will carry out a prompt, thorough investigation of the facts and handle the cases seriously. The complaint telephone number of the Ministry of State Security is 821 9617.

#### Civil Aviation Official on Halting 'Incidents'

HK2202151094 Beijing ZHONGGUO XINWEN SHE  
in English 1145 GMT 22 Feb 94

[Text] Zhuhai, February 22 (CNS)—Civil aviation in China has to put an emphasis on security of air traffic and stop various kinds of incidents this year, the Deputy Director of the Civil Aviation Administration of China (CAAC), Mr. Yan Zhixiang, said in a meeting on security work within national civil aviation.

Mr. Yan stressed that such security work this year would be carried out strictly with the stress being placed on technology, style of work and discipline in respect to flights, cabin service and air control. Such strict practice must be implemented by various entities and departments within CAAC.

Speaking of safety coming first with the stress being placed on prevention, Mr. Yan noted that attention should be paid not only to development of air services and its scope, production management and economic indicators especially under stiff market competition, but much more importantly to security, administration of air safety and to all safety indicators with an all-time emphasis on security work [sentence as received].

Mr. Yan when talking of the system of responsibility for air safety stressed that the legal person of a particular enterprise had to be held responsible for safety and that the awareness of risk should be strengthened. Safety factors had to be given prominence and safety procedures had to be strictly carried out. Leading cadres had to take the lead in conducting strict procedures and no leniency should be given to air crews found culpable of wrongdoing during flights. Various relevant entities should be accountable for the performance of their duties.

The meeting was the largest of its kind ever held by the national civil aviation sector and was attended by personnel from local branches of CAAC, main airports, airliners under the direct control of CAAC as well as their branches, flight teams and air companies across the country.

#### Democratic Parties Make 'Valuable' Suggestions

OW2202145294 Beijing XINHUA in English  
1406 GMT 22 Feb 94

[Text] Beijing, February 22 (XINHUA)—China's non-communist democratic parties have put forward a series of valuable suggestions regarding the country's economic construction and modernization in the past year and their suggestions have pushed forward the work by the Chinese Communist Party, a spokesman for the State Council said here today.

Their papers include calls for the earliest possible start of channelling of southern China's rich water resources into North China, strengthening of agricultural production and grass-roots education, opening up of a Euro-Asia economic zone, and ways to address the situation in Taiwan.

He said that the democratic parties' proposals have greatly helped the Chinese Communist Party's work, as they are the results of actual investigation and meet many of the needs of reform and opening.

He said that by offering such advice, the democratic parties have effectively given their roles full play in discussing and participating in the country's political affairs, and made new contribution to country's modernization drive.

#### Students Returning From France Increasing

HK2302025694 Beijing ZHONGGUO XINWEN SHE  
in English 1229 GMT 22 Feb 94

[Text] Paris, February 22 (CNS)—An increasing number of Chinese students are returning from France with their number outstripping for the first time the number of state-supported students going to France last year. Among 355 returned students, 81 are doctorate degree-holders, according to China's embassy in France.

Some 5,000 Chinese students have been sent to study in France at public expense since reform and opening to the outside world started. To date, over 3,000 of them have returned to China, constituting 60 percent of the total number.

The embassy's education counsellor in France said that the policy of the Chinese government on supporting students studying abroad, the encouragement of their returning to China and their free coming and going had won the understanding and cooperation of most of the Chinese students studying abroad. Those in France said that the policy indicated the state's kindness and trust in making it possible for them to choose various ways to serve their motherland. They also held that returning to China would fully exploit their talents in view of the new economic situation in China.

Compared with China, the ongoing depressed European economy and particularly the rapid increase in the number of unemployed in France made it difficult for

Chinese students there to get suitable jobs while the immigration laws recently issued by the French government made such problems as residence and social insurance for foreign students there unsettling, adding another reason for the increase in the number of Chinese students returning home.

## Military

### Reportage on Reshuffling of Army Officers

#### CMC Officials Tasked

HK1802075094 Hong Kong LIEN HO PAO in Chinese  
18 Feb 94 p 1

[By special correspondent Chang Chun (4545 0689) from Shanghai: "At Deng Xiaoping's Suggestion, Zhang Zhen and Wang Ruilin Take Charge of Major Reshuffle of Generals"]

[Text] The Central Military Commission held an enlarged meeting of the military commission in mid-December last year to carry out a major reorganization among generals at the level of military region. Reorganization among army-level generals is still going on now.

Involving seven military regions, the Navy, the Air Force, and academies under the Central Military Commission, the current reorganization covers the widest scope and the largest number of high-ranking military officers in the past decade.

The theoretical basis for the current major changes is to make the ranks of military cadres younger in average age and more professional competent.

Zhang Zhen, vice chairman of the Central Military Commission, and Wang Ruilin (director of Deng Xiaoping Office), first deputy director of the General Political Department, have taken charge of the operation at Deng Xiaoping's suggestion.

As envisaged by the current military leaders, with all leaders of the Central Military Commission having been or soon to be overage, the leading bodies of the new military commission and three general departments will be composed of principal officers of the Navy, the Air Force, and the military regions in 1996, with generals newly promoted to the deputy posts in military regions and principal officers of group armies serving as principal officers of the military regions and armed services. Moreover, a number of younger division-level military officers will be selected in preparation for the gradual takeover.

This is precisely the "echelon takeover" arrangement which Deng Xiaoping earlier assigned to Zhang Zhen, who is responsible for personnel matters in the military, and it is being officially implemented.

#### Transfers Outlined

HK2102043494 Hong Kong LIEN HO PAO in Chinese  
19 Feb 94 p 2

[Article by special correspondent in Hong Kong: "Recent Transfer of Military Brass Involved Some 100 Senior Officers"]

[Text] In mid-December last year, some 200 senior officers of the PRC military gathered at Beijing's Jingxi Guest House to participate in a secret meeting convened by the CPC Central Military Commission [CPCCMC] (said to be an enlarged session of the Central Military Commission.) At the meeting, CPCCMC First Vice Chairman Liu Huaqing announced an order that had been signed by CPCCMC Chairman Jiang Zemin: A transfer of the leadership tier of the PLA's seven military regions, as well as of the Navy and the Air Force was to be conducted in a big way. (Please refer to the attached table for the new list of senior officers.)

According to a well-informed figure, in the recent transfer of PRC military brass, some 100 PLA senior officers were involved, and both the scope of the reshuffle and the number of generals involved has been rare in the PRC military over the past 10 years.

Western military observers in Beijing believe that the recent reshuffle was the boldest action involving high-ranking military personnel taken since Jiang Zemin succeeded Deng Xiaoping as the supreme commander of the Chinese military, and it was aimed at ensuring Jiang Zemin's firm control and command of military power from both the organizational and personnel framework.

The recent great change in the PRC high-ranking military personnel was quite unusual; it did not follow past practice, which was characterized by briefings beforehand. Jiang Zemin had no military background, and very few historical connections with the military; how could he be so bold on this most sensitive issue of the high-ranking tier of the military? It has been learned that Deng Xiaoping masterminded the scheme behind the scenes.

The Chinese people's army all along has been the pillar on which the CPC has maintained its rule. Since Jiang Zemin had become the CPCCMC chairman—the No. 1 man of the Chinese military—he had suffered from a lack of confidence in command and control over the Army. Under the pressure of the internal and external situations in September 1989, Deng Xiaoping resigned, and allowed Jiang Zemin to succeed him as "the supreme commander" of the Army, the Navy and the Air Force. On 12 November 1989, when Deng Xiaoping met the military brass participating in the enlarged session of the Central Military Commission, he expressed the hope that Jiang would "genuinely control the Army, and would do a good job of it, at that" in the presence of the commanders of the three services, whereas he required the Army—especially intermediate- and senior-ranking



officers—to be subject to the command of the Central Military Commission with Jiang Zemin as the core.

Over the past few years, Jiang has been working hard at his office as CPCCMC chairman, doing his best to have a hand in Army affairs, and playing the role of the "supreme commander" to the three services, but it was not easy for Jiang Zemin to have genuine command and control over the Army, owing to his lack of experience and prestige. He was helpless and had to seek Deng Xiaoping's advice on running the Army on the eve of the convocation of the Third Plenary Session of the 14th Central Committee. It has been learned that the experienced and astute Deng Xiaoping personally gave him the instruction that it was imperative to achieve a flow of military brass, and that none of them should stay too long at a post in the same locality, saying that Mao Zedong and Deng himself had resorted to this effective approach when they ran the Army.

In the wake of Jiang Zemin taking "the Central Military Commission" office, there was instability in the Army's thinking owing to the aftermath of the "4 June" incident; Jiang Zemin did not dare take any great action in the personnel framework. Even when Deng Xiaoping removed the Yangs from their military offices [Yang Shangkun, former president and formerly permanent vice chairman and secretary general of the CPCCMC; and his half-brother, Yang Baibing, former director of the PLA General Political Department and former member of the PRC Central Military Commission], Jiang Zemin resorted to comparatively mild methods to handle the cases of those senior officers who had followed the Yangs, and refrained from taking extreme measures.

Now it had been five years since Jiang Zemin took command of the three services, and Deng Xiaoping believed the time was ripe for Jiang to conduct a major reshuffle of high-level military leading bodies in a big way. At the same time, the measure also could be used to test whether or not the top echelon of the military was obedient to Jiang Zemin's leadership, and whether or not Jiang Zemin had "complete command over the whole Army." Jiang followed Deng Xiaoping's instructions.

To ensure the political stability in mainland China after Deng Xiaoping and to remove hidden dangers, the influences nurtured by the Yang brothers have been purged mercilessly during the recent military brass reshuffle. Yang Shangkun was in the office of Central Military Commission vice chairman and concurrently secretary-general for many years, and his brother Yang Baibing all along had had a grip on the power to appoint senior officers at and above the division level since he

had taken office as director of the PLA's General Political Department in 1985. In the wake of the 4 June incident, one of the two brothers was first vice chairman of the Central Military Commission, and the other was the commission's secretary-general and concurrently PLA General Political Department director, responsible for the routine work of the Central Military Commission. The two brothers would hesitate at nothing, and they built up their own influence within the Army in a big way.

The recent transfers have resulted in eliminating the Yangs' men through selection. For example, Lieutenant General Zhang Gong, former political commissar of the Beijing Military Region, first was transferred to the office of political commissar of the Chengdu Military Region—a demotion after the 14th party congress; he was transferred again during the recent reshuffle, and was replaced by Lieutenant General Zhang Zhijian, former commander of the Beijing Garrison, who was chosen personally by Jiang Zemin.

The surfacing of some new faces among the PRC military brass in the recent reshuffle is another point that catches people's attention. For a long time, problems in the top echelon of the PRC military—such as aging, low educational background, and making decisions on personnel affairs according to qualifications and seniority—had been very difficult to change, and were not in conformity with the CPC goal of achieving army modernization.

In the wake of the recent transfer, at the military region, Navy, and Air Force leadership level, two or three deputies below the age of 50 have been equipped, and a number of new faces in the prime of life have come out in the open. For example, the deputy commander of the Air Force, who formerly was commander of the Wuhan Airborne Corps and who made his debut recently, is only 44 years old. These new faces at the top echelon of the military all have been regarded as absolutely reliable politically, and they have a tertiary educational background, as well as rich experience in commanding troops. They should be regarded as the Chinese military's "stars of tomorrow." In two or three years, they will be chief responsible persons of various military regions.

With Deng Xiaoping's behind-the-scenes backing, Jiang Zemin's recent transfer of the military brass has been completed already, and the military brass who participated in the secret meeting at the Jingxi Guest House had quietly accepted the accomplished fact of the "great change and transfer," while expressing their support for the decision by Jiang Zemin, "the Central Military Commission chairman," one after another. This has eased Jiang Zemin's mind.

**Current Chief Officers of PLA's Seven Military Regions, Navy, Air Force, and Military Institutes**

New Post	Name	Explanation
Beijing Military Region Commander	Lt. Gen. Li Laizhu	former Beijing Military



Region deputy commander Political Commissar	Lt. Gen Gu Shanjing	former Chengdu Military Region political commissar
Shenyang Military Region Commander	Lt. Gen Wang Ke	former Lanzhou Military Region commander
Political Commissar	Lt. Gen Li Xialiang	former Guangzhou Military Region deputy political commissar
Jinan Military Region Commander	Lt. Gen. Zhang Taiheng	former Nanjing Military Region deputy commander
Political Commissar	Lt. Gen. Song Qingwei	former Jinan Military Region deputy political commissar
Nanjing Military Region Commander	Lt. Gen. Gu Hui	former Jinan Military Region deputy commander
Political Commissar	Lt. Gen. Fang Zhuqi	former Beijing Military Region Political Dept director
Guangzhou Military Region Commander	Lt. Gen. Li Xilin	former Guangzhou Military Region deputy commander
Political Commissar	Lt. Gen. Shi Yuxiao	former Nanjing Military Region political commissar
Chengdu Military Region Commander	Lt. Gen. Li Jiulong	former Jinan Military Region commander
Political Commissar	Lt. Gen. Zhang Zhijian	former Beijing Garrison commander
Lanzhou Military Region Commander	Lt. Gen. Liu Jingong	former Shenyang Military Region commander
Political Commissar	Lt. Gen. Cao Fansheng	former Jinan Military Region deputy political commissar
PLA Navy Commander	Adm. Zhang Lianzhong	as before
Political Commissar	V. Adm. Zhou Kunren	former South China Sea Fleet political commissar
PLA Air Force Commander	Gen. Cao Shuangming	former Shenyang Military Region Air Force commander
Political Commissar	Lt. Gen. Ding Wenchang	former PLA Air Force Political Dept director
PLA National Defense University Commandant	Gen Zhu Dunfa	
Political Commissar	Lt. Gen. Li Wenqing	
Academy of Military Sciences President	Gen. Zhao Nanqi	
Political Commissar	Lt. Gen. Zhang Gong	(Zhang Xusan removed from office)
PLA Second Artillery Corps Commander	Lt. Gen. Yang Guoliang	
Political Commissar	Lt. Gen. Sui Yongju	
Commission of Science, Technology and Industry for National Defense Minister	Lt. Gen. Ding Hengao	
Political Commissar	Lt. Gen. Dai Xuejiang	

(Editor's note: Most of the responsible persons in the table above have been in their present posts for more than two years.)

### Tiananmen Military Spokesman Transferred to Academy

HK1802030094 Hong Kong EASTERN EXPRESS in English 18 Feb 94 p 1

[By Carol Pui-yee Lai]

[Text] Lieutenant-General Zhang Gong, the military spokesman who claimed no students were killed in Tiananmen Square in the crushing of the 1989 pro democracy demonstrations, has been dismissed from his post.

He was the political commissar of the Chengdu military region.

Zhang, 59, has been transferred to the Academy of Military Sciences in what appears to be the only politically motivated transfer in a large scale reshuffle of personnel in the military regions and commands.

The other changes appear to be routine retirements based on age, despite expectations of some analysts that this occasion would be used to carry out a second purge of allies and associates of Yang Baibing, who was removed from his post as secretary general of the Central Military Commission in 1992.

The new wave of military personnel changes is the biggest since the reorganisation of the main military leadership in mid-1990.

In all, 80 military region and command positions have been changed, analysts said. Zhang was reviled by many Chinese for his role as political department director of the martial law enforcement troops during the 1989 crackdown.

In a televised news conference widely broadcast in China after June 4, Zhang claimed that no students had been killed in Tiananmen Square. His claim may have been technically true.

No student demonstrators are known to have died on the square in the early morning of 4 June, though there were several civilian casualties within a few metres of the square, and large numbers of soldiers and civilians were killed as the martial law forces pushed their way into the centre of the city from the west. Zhang's appearance on television cemented his image as an apologist for the crackdown. He is being replaced by Zhang Zhijian, deputy commander of Beijing military region.

Meanwhile, Deng Xiaoping appears to be taking a less active role in military affairs with the departure of his secretary, Wang Ruilin, who also acted as his eyes and ears on the Central Military Commission. Wang, secretary of the Commission for Discipline Inspection of the Party's Central Military Commission, is no longer active as Deng's secretary, having left Deng's personal office some months ago, according to Beijing sources. His importance at the military commission was enhanced after Deng's relationship with Yang Shangkun deteriorated over 1991-92. At that time, Wang was responsible for arranging Deng's meetings and appointments, but that job has been taken by Deng's eldest daughter, Deng Rong.

The military reshuffle has not affected any seats on the Central Military Commission (CMC), but the post of secretary-general, which has been unfilled since Yang Baibing was dismissed from the post in 1992, may have a new occupant soon. General Chi Haotian and General Zhang Wannian are tipped as possible candidates to fill the long-standing vacancy, Beijing sources said.

The power base of the Chinese Communist Party general secretary, Jiang Zemin, is still considerably weaker than that of his predecessors, Hu Yaobang and Zhao Ziyang. Some analysts believe that Chi's appointment as CMC secretary-general would strengthen Jiang's position in the military.

### Economic & Agricultural

#### Article Views Developing Market System

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[Article by Ma Kai (7456 0418), vice minister of the State Commission for Restructuring Economic System: "Speed up Fostering and Developing the Market System"]

[Text] The section "Fostering and Developing the Market System" in the "Decision by the CPC Central Committee Concerning Certain Issues on Building the Socialist Market Economic System" clarifies six interrelated issues. To study conscientiously and understand profoundly these important expositions in the "Decision" is of important guiding significance to promoting the growth of China's market system and speeding up the building of the new socialist market economic system.

#### The Market System—The Core of the Socialist Market Economic System

To foster and develop the market system is the essential requirement for building the socialist market economic system. The essence of the new system is to enable the market to play a basic role in allocating resources under state macroeconomic regulation and control. An improved market system is the operational carrier and operational basis for the market to play a basic role in allocating resources. The extent of the growth of the market system shows the extent of the role played by the market in allocating resources, and also marks the maturity of the market economic system. In this sense, the market system and its operational mechanism is the core of the socialist market economic system.

To foster and develop market economy is an important pillar in constructing the basic framework of the new system. The "Decision" of the Third Plenary Session of the 14th CPC Central Committee depicts the basic framework of the socialist market economic system, including: A modern enterprise system, a developed market system, an improved macroeconomic regulation and control system, a rational personal income and distribution system, and a multilevel social insurance system. These five major pillars, interrelated and inter-constrained, together constitute the basic framework of the new system, maintain in common the normal operation of the new system, and realize jointly the basic role of the market in allocating resources under macroeconomic regulation and control. To build up a modern enterprise system, and enable enterprises to truly manage to "look for the market and not the mayor," it is necessary to take building a developed market system as the prerequisite. The macroeconomic regulation and control system is mainly applying economic levers and economic policies to guide enterprises by market regulation and control, and one cannot depart from an improved market system to exercise indirect management of enterprises.

The goal of fostering and developing the socialist market economic system is to realize the change in the circulation of commodities and productive factors from planned distribution relations to market exchange relations; to build up a unified, open, competitive, orderly, complete, and developed big market; and to ensure that the market mechanism plays a basic role in allocating resources. Here, the first thing I want to talk about is the essence of the new market system; the second is its



content and characteristics; and the third is its purpose. These three together constitute the goal of the new market system.

At a superficial level, the market refers to sites of transactions, and essentially speaking it is the sum total of the exchange relations between commodities and money. Therefore, to foster and develop the market system is not simply to build so many market places, more importantly it is to build new-type market exchange relations, and to change the administrative distribution relations of commodities and factors under the planned economic system into market exchange relations built on the basis of equal opportunity, independent transactions, fair competition, and equal exchange.

A modern market system that meets the requirements of a socialist market economy must have at least six characteristics: First, it must be unified, and not divided. It breaks regional blockades, departmental monopolies, and barriers between departments and regions. It encourages free circulation of commodities and factors, and removes artificial restrictions, thus creating a nationwide unified market. Second, it must be open and not closed. It is open at home, open to other cities (counties) and provinces; and it is also open to foreign countries, and achieves links between domestic and foreign markets. Third, it must be competitive and not monopolistic. It should have full and fair competition, and oppose monopoly, especially administrative monopoly. Both commodity prices and factor prices should be formed through market competition. Fourth, it must be orderly and not chaotic. The market principals are correct in their behavior, and their transaction activities standardized and legalized. They carry out open transactions under fair competition, with laws to abide by and rules to follow, and a fine market order is built up. Fifth, it must be complete and not fragmentary. It should have both a consumer goods market and a means of production market, and it should have a commodity market and a productive factors market; it should create a spot market as well as a futures market; it should create a visible market and attach importance to the invisible market; it should have low-level markets and high-level markets; it should have regional markets and a nationwide market; it should develop domestic as well as foreign markets. Sixth, it must be developed and not backward. On the one hand, it should have a developed hardware system, including market facilities, communications, telecommunications, banking, godowns and storage, processing, and facilities for keeping food fresh; on the other hand, it should have a developed software system, including management, information, and rules and regulations. Market operations are highly efficient, and business costs are low.

We are not fostering the market for the sake of fostering the market. The fundamental purpose of fostering the market is to create necessary conditions for the market to play a basic role in allocating resources. As for the flow of commodities and factors, only when the change from

administrative distribution relations to market exchange relations is completed, and an improved and developed big market is built up can a socialist market economy be operated normally and its role be effectively brought into play.

### Pricing Reform—The Key to Developing the Market System

The core of market economy is the market, and the core of the market is prices. The basic role played by the market in allocating resources is realized with the aid of the formation mechanism and operational mechanism of market prices. Price reform and market growth constrain and promote each other. Freeing prices and changes in the price formation mechanism are basic prerequisites for developing the market, because where prices are set administratively, there can be no competition; without competition, you cannot begin to talk about developing a true market. Practice since reform has also proved that the commodities for which prices are freed earlier are the commodities for which the market develops faster; conversely, the commodities for which prices are kept under tight control are the commodities for which the market is not developed.

Before reform, China implemented a highly centralized system of administrative setting of prices, which brought about a distorted pricing structure over a long period of time, thus playing a reverse regulatory role in allocating resources. After 15 years of reform, price reform has made substantial progress, fundamental changes have taken place in the overcentralized planned price structure, and prices of the great majority of commodities and labor have been released. It can be said that in the sphere of commodities and labor, the mechanism under which prices are formed by the market occupies a leading position. However, the task of price reform is not yet finished; some prices suitable for freeing have not been freed; there is still a two-tier price system for certain basic products; prices within the plan are still somewhat low; the reform of the price regulation and control system is relatively delayed; in particular, the market does not yet play a dominant role in the formation of interest rates, exchange rates, wages, and land costs, and prices of productive factors do not yet truly reflect their degree of scarcity.

For a period of time to come, price reform will mainly include three interrelated tasks:

—To build up a price mechanism that takes prices formed by the market as the dominant factor. This is the core of price reform, and is also the basis on which the price structure can constantly tend to be and continue being relatively rational. It is necessary to continue expanding the range in which prices are regulated by the market, strive to create conditions before too long to basically free prices in the sphere of commodities and labor suitable for freeing, and abolish as soon as possible the two-tier price system for the means of production; and moreover stress pushing forward the reform of prices of



productive factors, gradually strengthen the role of market regulation in the formation of interest rates, exchange rates, land costs, enterprise wages, and the cost of other factors, and finally realize the mechanism of factor prices formed by the market under government macroeconomic regulation and control.

—*The purpose of pricing reform is to build up a pricing structure that can constantly tend to be and continue being relatively rational, so as to guide continuously the rational allocation of resources.* For some time to come, it is necessary to basically solve the problem of price structure distortion in commodities and labor by combining regulation with freeing. Lay emphasis on pushing forward reform in three aspects: First, reform of the prices of agricultural products, with rationalizing the purchase and marketing prices of grain as the center. Release the purchase and marketing prices of grain, and correspondingly build up and improve a multilevel grain reserve system from the central authorities to localities, a grain risk regulatory fund system, and a system of a minimum purchase price for the protection of producers and, when necessary, a maximum selling price. For prices of cotton, flue-cured tobacco, silkworm cocoons, and other agricultural products which are at present still under state control, it is also necessary to judge the hour and size up the situation, and actively push forward reform. Second, the reform of prices of the means of production and of communications and transportation with solving the problem of somewhat low energy prices as the dragon-head. It is necessary to continue solving the problem of somewhat low prices of coal, oil, and other basic industries under state monopolistic distribution and the problem of enterprise losses of a policy nature by increasing prices or enlarging the proportion of price release year by year. Third, the reform of prices of consumer goods, with increasing the cost of publicly owned housing as the focal point. It is necessary to quicken the pace of housing merchandization, and increase year by year the rent for civilian housing owned by the government to a rational level, and various localities may decide separately on their own, and achieve this situation in different steps according to their own circumstances. For charges for publicly run medical services, publicly run vocational education, and higher educational undertakings, it is also necessary to make timely and rational readjustment.

—*To build up an improved, complete, and effective price regulation and control system.* This is an important guarantee for the normal operation of the market price formation mechanism and rationalizing of the pricing structure. It is necessary to build up and improve an effective overall price level monitoring, warning, and regulation and control system, continue to include control of the overall price level in the plans for the national economy, and realize this mainly by currency control and regulation of total supply and demand; build up and improve a government reserve system for important commodities, including grain, cotton, oil, and important raw and processed materials, as well as gold and foreign

exchange, with which to regulate the market and curb prices; build up and improve a price regulation fund system, to be used as economic backing for supporting production, fostering the market, and putting into effect government price limits when necessary; and build up and improve the system of price rules and regulations, work out as soon as possible the "Prices Law" and complementary rules and regulations, and correspondingly improve the price supervision system.

#### **The Commodity Market—the Basis of the Market System**

The commodity market is the foundation of the whole market system edifice. In the 15 years since reform, there have been tremendous changes in the commodity market. For about 80 percent of industrial and agricultural products there has been a change from planned appropriation and distribution to allocation through market circulation, the pattern of monopoly by state-owned commercial and materials departments has been broken, and a commodity market network of diversified economic sectors, multiple forms of operation, multiple circulation channels, and multiple levels has been initially built up, but compared with the goal put forward in the "Decision" made at the Third Plenary Session of the 14th CPC Central Committee, China still has quite a long way to go. It is necessary to continue carrying out in-depth reform of the circulation system, and developing the commodity market in seven aspects around market principals, market carriers [shi chang zai ti 1579 1034 6528 7555], the market mechanism, market rules and regulations, market regulation and control, market supervision, and market links.

It is necessary to create qualified market circulation principals, and continue in-depth reform of circulation enterprises. It is necessary to carry out transformation of some of the state-owned circulation enterprises, such as those of commerce, grain, materials, foreign trade, tobacco, medicine, and aquatic products according to a modern enterprises system. Those enterprises with the conditions may develop in the directions of groups and conglomerate business corporations; others may withdraw from the state-owned and state-operated pattern, to be "shifted to other lines of production, leased, operated on a contract basis, or sold." It is necessary to carry out reform of supply and marketing cooperatives according to a collective and cooperative nature. Moreover, it is necessary to further develop circulation enterprises of diversified economic sectors and multiple forms of operation.

It is necessary to improve the organizational system of the commodity market. Improve the commodity market network with complete functions, in which large, small, and medium-sized organizations are combined, and in which various economic forms and methods of operation exist simultaneously, with primary markets as the foundation, regional wholesale markets as the backbone, and a nationwide standardized wholesale market as the dragon-head. What requires special attention is that

when there is a certain degree of market building, we should all the more attach importance to raising quality, heightening service level, strengthening service functions, and increasing operational efficiency. As for the futures market, we should make clear that it is still in an experimental stage at present. It is necessary to uphold the principle of "starting according to standards, and everything undergoing experiment," control strictly, grasp seriously, guard against blind development, and promote the healthy development of futures transactions.

It should be especially pointed out that the government undertakes the important responsibility of fostering the commodity market. However, in the course of promoting the growth of the commodity market, various government departments should first of all have their eyes on ending departmental separation, regional blockades, trade monopolies and various other restrictions that hamper the formation of a unified market; make efforts to foster new market exchange relations that conform to the principles of a socialist market economy; and create an environment of equal competition for the market to play a regulatory role. They must not proceed from the narrow interests of their own departments and regions, blindly scramble for markets and compete for comparisons of scale, and pursue market "grade" one-sidedly according to the will of government officials or in disregard of need; or compel enterprises to enter the market or restrict them from entering by administrative means, and artificially restrict the flow of commodities into or out of localities. These methods, incompatible with the principles of the market economy, must be resolutely corrected.

#### **The Productive Factors Market—The Focal Point of Fostering the Market System**

The "Decision" points out clearly that the focal point of fostering the market system at present should be developing the productive factors market. This is a very important theme. If the commodity market is the basis of the market system, then the productive factors market is its core. To allocate resources by the market, in the final analysis, is to allocate productive factors to the links that yield good performance. Productive factors entering the market for circulation is the essential requirement and necessary condition for the market mechanism to play a basic role in resource allocation. When there is a certain degree of growth of the commodity market system, to speed up developing the productive factors market becomes a pressing requirement for developing a socialist market economy. In the whole process of the market allocation of resources, if there is ample competition in the commodity market and the commodity price signal changes with supply and demand, without a corresponding productive factors market, and with funds, labor, land, and other productive factors unable to flow in and out freely and flexibly between trades and enterprises, then it is difficult for the market to realize the function of resource allocation. Moreover, without an improved productive factors

market, it would be impossible to create rational prices for productive factors. And if the prices of various productive factors are distorted and cannot truly reflect their degree of scarcity, you cannot begin to talk about rational utilization and optimum allocation of productive factors. At present, to develop the productive factors market, we should pay special attention to building the financial market, land market, and labor market, and further develop the markets of technology, information, and property rights. —*To develop and improve the financial market with bank financing as the key link.* In a market economy which is a money economy, funds are the most important resource. The financial market is the pivot of the whole market system. However, there is a very big gap between the building of the financial market and the requirements of a socialist market economy. The main problem lies in low degree of growth of the financial market, lack of effective supervision and control, and chaotic market order. The basic goal of developing and improving the financial market is to build up a unified and open, competitive and orderly financial market system under strict control. Specifically: In the money market, it is necessary to standardize the inter-bank borrowing market, so as to make it truly become a money market, and so various types of financial organizations can accommodate funds and make up one another's money deficiencies from their own surpluses in the overnight borrowing market, but there must be a strict time limit. It is necessary to promote the development of the note market, make great efforts to develop the note discount business, and allow banks to discount each other's notes and make up others' funds deficiencies from their own surpluses. The key to developing the financial market is to push forward actively and safely the reform of the interest rate formation mechanism. The People's Bank works out a standard interest rate for deposits and loans, and the upper and lower intervention limits that allow fluctuation; and various interest rates should reflect differences in time limit, cost, and risk, and maintain a rational profit difference. Gradually build up a market interest rate system with the interest rate of the central bank as the basis to enable interest rates to change flexibly and truly reflect the supply and demand situation in the funds market. In the capital market, it is necessary to develop actively and safely the bond market and the stock market. It is necessary to improve the national debt market, and legislate to prevent the financial sector from borrowing from the central bank, and financial deficits should be covered by issuing national bonds. Banks of a policy nature may issue financial bonds. National commercial banks may accommodate funds from the central bank with national bonds and financial bonds as mortgages, and other financial organizations may also accommodate funds from each other with bonds as mortgages, thus creating conditions for the central bank to develop open market business. It is necessary to improve the stock market, standardize the issue and listing of stocks, and gradually expand its scale; and improve the stock exchange and the management of the exchange departments and affiliated organizations.



*—Reform the labor system, and gradually build up the labor market.* Labor is the only dynamic factor among the productive factors. The development of the market economy requires that such an important productive factor as labor should also be brought into the operational track of the market economy. The goal of the new labor market is to build up a new labor market pattern in which, under state macroeconomic regulation and control, labor can flow freely, wages are mainly decided by labor productivity and the supply and demand of the labor market, and the market mechanism plays a basic role in labor resources allocation. Specifically: First, it is necessary to speed up the reform of the labor and personnel system, the graduate assignment system, and the personnel system of government organizations and public undertakings. Gradually abolish the management system of planned assignment of labor, the state no longer being the principal employer of labor, implement the decisionmaking power of enterprises in the use of labor, and build up a competitive employment mechanism in which staff and workers can enter and leave enterprises freely, a two-way selection by staff and workers and by organizations that use labor is carried out, and there is a rational flow of labor. Implement the public servant system in government organizations; and universally popularize the recruitment system in public undertakings. Gradually change the system of overall assignment of university graduates by the state, and implement a new assignment system of two-way selection by organizations that use labor and by university graduates. Moreover, speed up the reform of the wage system and realize remuneration for labor by money and wages being mainly decided by labor productivity and the supply and demand of the labor market. The state regulates primarily by legislating for minimum wages and by tax collection. Moreover, it is also necessary to reform the household register management system. These reforms are prerequisites for developing the labor market. Second, build up and improve a multilevel and multiform labor market. China's labor force is multilevel, and its labor market should also be multilevel and multiform. There should be a nationwide as well as regional, an urban as well as a rural labor market; there should be general employment service centers, as well as a market for senior scientists and technicians. It is also necessary to build up a labor export market. Third, develop an employment service system. It is necessary to make vigorous efforts to develop intermediary organizations and service entities that serve the flow and allocation of labor; strengthen the employment services system, such as occupational recommendation, employment training, and labor arbitration; and build up a nationwide and unified labor supply and demand information network. Fourth, speed up the reform of the housing system, and build up and improve a social insurance system. This is an important guarantee of whether or not the labor market can develop and operate normally. If housing of staff and workers is still assigned by work units and not obtained through the market, and if medical care, pensions, and social insurance rely

mainly on work units with a very low degree of socialization, then the flow of labor will meet with enormous obstacles, and it will be difficult for the labor market to develop. Fifth, it is necessary to build up and improve various labor rules and regulations, gradually standardize the labor market, increase the degree of civilization of the market, and protect the legitimate rights and interests of laborers and the organizations that use them.

*—Standardize and develop the real estate market.* Land is a scarce and nonrenewable resource. With little arable land and a large population, China must treasure land resources highly and use them rationally. The core of reform of the land system in cities and towns is to foster and develop the land market and change the administrative appropriation system, under which land is free, is used indefinitely, and cannot flow, into a market allocation system under which land is paid for, is used for a limited duration, and can flow. In the city and town land market system, the Grade I land market is monopolized by the state, and the Grade II land market is released, but under regulation and control. The Grade I market, that is, the market for the sale of the right to use land, is under unified management by the state, and no one has the right to sell it. However, the method of sale by the state should be reformed, and the market mechanism introduced. According to the principle of separation of land ownership from the right to use land, under the premise that the state maintains land ownership, the right to use land is pushed into the market, thus widening the range of market allocation. All operational land is provided by the method of sale, and land ownership is sold by auction and public bidding to users at particular prices, for fixed numbers of years, and for fixed uses. In the Grade II land market, that is, the market where the right to use land is transferred, the land sold by the state can be re-transferred, rented, and mortgaged between users with prices regulated by the market and created through competition. However, the state should strengthen regulation and control and management. For instance, the nature of the use of land should be planned during land transfer, land registration formalities should be completed, the transferred amount declared, and value-added tax paid to guard against the loss of state land income in the transfers and transactions in the sale of the right to use land, and to crack down on illegal activities of land speculation, raising land costs by cheating, and seeking exorbitant profits. In rural areas, it is necessary to explore actively the reform of the land system. At present, it is necessary to appropriately lengthen the land contract period, stabilize land contract relations, encourage the peasants to increase input, and raise land productivity. Moreover, it is necessary to improve gradually the circulation mechanism of the right to use land and, under the premise of upholding collective land ownership without changing the use of land, the compensated transference of the right to use land is allowed with the consent of the contracting parties. It is necessary to protect cultivated land conscientiously, and strictly control the transfer of land for agricultural use to nonagricultural use.



In addition, it is necessary to further develop the technology market, introduce the competition mechanism, protect intellectual property rights, and put into practice the compensated transfer of technological results; further develop the information market, realize the merchandization and industrialization of information, and raise the extent of social enjoyment of information; further develop the property rights market; and promote the flow, reorganization, and optimum allocation of assets in stock.

#### **Intermediary Organizations—The Links of the Market System**

In market economy operations, as ties that link the government, the market, and enterprises, intermediary organizations play a role that cannot be replaced by government administrative management, and developed intermediary organizations are important expressions of a mature market system and a developed market economy.

Market intermediary organizations have four main functions: First, services, to provide market principals with information service, advisory service, distribution and delivery service, training service, brokerage service, and legal service. Second, communications, to link up the ties between various types of market principals, including between enterprises, between enterprises and the government, and between international activities. Third, notarization, to ensure fair market competition and impartial transactions; to develop financial accounting and auditing, assessment of assets and credibility, and quantity and quality inspection; and to arbitrate market disputes. Fourth, supervision, to work out pledges or trade rules for self-restraint according to market regulations, and supervise market transaction behavior.

Judged by the types of market intermediary organizations, the stress should be placed on developing the following types: First, self-disciplinary organizations for coordinating and constraining market principal behavior, such as various trade associations, trade councils, and chambers of commerce; second, notary organizations to ensure impartial transactions and fair competition, such as accountants' offices, lawyers' offices, auditors' offices, and assets and credibility assessment organizations; third, service organizations for promoting market growth and reducing transaction costs, such as information centers, advisory and research organizations, quotation systems, settlements centers, materials distribution and delivery centers, and warehouses; fourth, "bridge" organizations that render market direct services, such as various kinds of brokers, the pawn trade, the auction trade, occupation recommendation offices, human resources exchange centers, etc; and fifth, inspection and attestation organizations for supervising market activities and maintaining normal market order, such as quantity and quality control, production inspection, and other production service organizations.

Intermediary organizations should undergo qualification approval and be established according to law; a competition mechanism should be built up among market intermediary organizations, with the superior winning out and the inferior being eliminated; and intermediary organizations should undertake corresponding legal and economic responsibility for the consequences of their behavior, and accept management and supervision by the government departments concerned.

#### **Legal and Supervisory and Management Systems—the Guarantee of Normal Operation of the Market System**

The core of the market legal system is to protect fair competition and enable market transactions to proceed in good order in an open, fair, and impartial competitive environment, thereby bringing into full play the basic functions of the market in allocating resources under legal protection and standardization. A complete market legal system should include at least the following aspects: Laws and regulations on market aspects, including laws and regulations that standardize different market aspects, such as a "company law," a "bank law," a "broker law," etc; laws and regulations on market organizations, such as regulations regarding open markets and wholesale markets, and stock exchanges and futures exchanges; laws and regulations on market entry, such as an "enterprise registration law" and certain special laws and regulations on market admission (such as on securities, futures, catering, and special trades); laws and regulations on market transactions, mainly a "law against illegitimate competition," a prices law, laws on commodity quality, etc; laws and regulations on protection of rights and interests to protect the legitimate rights and interests of producers, operators, and consumers, such as a "law on protection of the rights and interests of consumers," a "patent law," a "trademark law," and antidumping and antisubsidy laws and regulations regarding foreign economic relations; laws and regulations on market regulation and control, such as establishing laws and regulations on a reserve system, a market regulation funds system, and a state order system; and laws and regulations concerning market mediation, arbitration, and market supervision and management.

While paying special attention to improving the system of market laws and regulations, it is also necessary to build up an effective market supervisory and management system to ensure the implementation of various laws and regulations. A new market supervisory and management system should be one that operates in all directions, at different levels, and with a clear-cut division of labor. First, it is necessary to create and improve a self-supervisory and management system, including improvement in the management system within enterprises, strengthening occupational morality and legal system education, conscientiously observing discipline and abiding by the law, and self-disciplinary management within trades and places of various kinds of centralized transactions, such as open markets, commodity wholesale markets, stock exchanges, occupation

exchanges, and technology exchange markets. It is also necessary to work out rules and regulations within organizations to standardize transaction behavior and constrain market principals to carry out operations according to law. Second, create and improve a social and public supervisory system. Bring into play the masses' supervisory functions of consumer associations and staff and worker price supervision organizations, and bring into play the public opinion supervisory functions of the mass media. Third, create and improve an administrative and judicial supervisory and management system. It is necessary to build up an authoritative market law enforcement and supervisory organization to carry out inspection and supervision of various types of market behavior, protect legitimate operations, ban illegal operations, maintain open, impartial and fair transactions, and protect the legitimate rights and interest of operators and consumers, so that laws shall be abided by and transgression of laws shall be punished. Criminal behavior that sabotages market order shall be dealt with by judicial departments according to law. Resolutely punish lawbreaking behavior of producing and selling forged and inferior commodities and despots that lord it over trades and market.

#### Over 10,000 Enterprises Merge Across Country

HK2302095194 Hong Kong LIEN HO PAO in Chinese  
17 Feb 94 p 22

["Special dispatch": "Over 10,000 Enterprises Have Been Merged in China"]

[Text] Beijing, 16 Feb (LIEN HO PAO)—According to a department on the mainland, a national center for the transaction of property rights—the China International Property Rights Transactions Center—will be set up in Beijing.

The transactions center will be composed of 30 financial institutions and major enterprise groups on the mainland, including the China Economic Development, Trust, and Investment Corporation, the Hangzhou Bund Construction Joint-Stock Company Limited, the China Everbright International Trust and Investment Corporation, and the Shenzhen Baoan (Group) Corporation. Prior to this, there were already 25 property rights transaction markets set up in various parts of the country, including the regional markets in Henan, Shanghai, Nanjing, Shandong, Chengdu, Shenzhen, and Zhejiang.

To promote the rational flow and realignment of enterprise property rights so as to attain the best formation of resources and scale, the center will activate stock assets, improve the pattern of assets operation, make up for the shortfall in construction fund, and ensure that the value of state-owned assets can be preserved and increased. Since the early 1980's, transactions markets focusing on property rights have emerged on the Chinese mainland. After several years of development, property rights transactions brought notable results to China's national

economy and increasingly became an important method of optimizing the allocation of state-owned assets under the socialist market economic conditions. According to statistics, in the whole of the 1980's, over 6,900 enterprises were merged across China, with over 8 billion yuan of stock assets transferred, and 4,090 enterprises reduced their losses by 522 million yuan. In the 1990's property rights transactions have further developed. To date, over 10,000 enterprises have been merged.

With the emergence and ever-growing expansion of property rights transactions, a series of relevant laws and regulations have been established and perfected. So far, the Chinese mainland has promulgated and implemented the "Bankruptcy Law," "Company Law," "Interim Regulations on Merger of Enterprises," "Interim Regulations on Selling the Property Rights of Small State-Owned Enterprises," "Regulations on Managing the Evaluation of State-Owned Assets," "Regulations on Changing the Operational Mechanism of Industrial Enterprises Under Ownership by the Whole People," and other laws and regulations. Other laws and regulations, such as the "Securities Law," "Banking Law," and "Provisions on Unemployment Insurance for Workers and Staff Members of State-Owned Enterprises" are still being drafted.

#### Survey Finds Private Sector's Strength Increasing

OW2202132094 Beijing XINHUA in English 1137  
GMT 22 Feb 94

[Text] Beijing, February 22 (XINHUA)—China's public ownership monopoly has been replaced by a brand-new ownership structure featuring the common development of diverse economic elements.

According to the latest survey done by the State Commission for Restructuring the Economy, the proportions taken up by the public economy in the national industrial output value and the national retail volume of consumer goods have both declined, while those of the non-public economy have increased steadily.

The survey shows that in the national industrial output value the proportion for state-owned industrial enterprises was 48.3 percent in 1992, down from 77.6 percent in 1978, when China launched its reform and opening-up drive.

Meanwhile, the output value of collective industrial enterprises climbed from 22.4 percent to 38.2 percent during the same period. And the other 13.5 percent was accounted for by foreign-funded, private and individual undertakings, which made their debuts only after 1978.

In the national retail volume of consumer goods, the state-owned sector's share decreased from 54.6 percent in 1978 to 41.3 percent in 1992. The share of the collective sector also dropped during the 1978-1992 period, from 43.3 percent to 27.9 percent. But the share of other economic elements jumped from 2.1 percent to 30.8 percent during the same period.



The survey shows that in 1992 the output value of state-owned industries increased by 14.4 percent over the previous year, while that of collective and township enterprises and other industries, including foreign-funded enterprises, rose by 28.5 percent, 40 percent and 48.8 percent, respectively.

In south China's Guangdong Province, the survey shows, non-public enterprises, employing more than 6.34 million people, make up 52.4 percent of the total registered capital. The proportions for state-owned enterprises and collective enterprises are 31.2 percent and 16.4 percent, respectively, the survey adds.

#### Column Views Highway Construction Achievements

HK2302070194 Beijing RENMIN RIBAO in Chinese  
18 Feb 94 p 2

["Review and Prospects" column by staff reporter Lu Mu (7627 3668): "Highways—From 75,000 to Over 1 Million Miles"]

[Text] On 25 December 1954, people across the country warmly celebrated the official opening to traffic of the Sichuan-Tibet and the Qinghai-Tibet highways. RENMIN RIBAO published a special editorial extending congratulations on this success. The two highways, whose combined length totaled 4,355 km were only paved with a low grade sand-and-pebble surface. Since reform and opening up, the Qinghai-Tibet highway has taken on a new look. In 1984, it was tarred and, in 1992, it was upgraded when frost-proofing materials were added.

Although old China claimed to have left behind 120,000 to 130,000 km of highways, in fact, only 75,000 km could be used on the eve of the birth of New China. After more than 40 years of construction, China (excluding the province of Taiwan) had highways totaling 1.075 million km as of the end of 1993, representing an addition of exactly 1 million km.

Before the 1970's, China's highway construction rested mainly with the localities and the masses and was became popular. Between 1951 and 1956, an additional 100,000 km were built and, between 1956 and 1959, an average 100,000 km were added each year. One of the reasons for the rapid development was "popularization." Despite the comparatively low grade, what mattered was that they could be used.

Since reform and opening up, the principles that "the better the highway is, the richer one gets" and "the speedier one gets, the faster one becomes rich" have generally been accepted. Highway construction has integrated popularization and upgrading, with the emphasis on the latter. Of the added 1 million km, expressways account for 1,145 km and first and second grade special highways account for 7,281 km.

Despite the glorious achievements made in China's highway construction over the past 40 years or more, and particularly during the past 15 years of reform and opening up, and the fact that all counties, 96 percent of towns and townships, and 74 percent of administrative villages across the country are accessible by car, we still have a large gap compared with developed countries. They are few in number. Each square kilometer of land only has 11.2 m of highway. They are low in grade: Second grade highways or higher only account for approximately 6.2 percent of the total and village highways are in comparatively poor condition.

What is heartening, however, is that departments in charge of highway construction in China have already made plans accordingly. By the end of this century, the highway mileage will reach 1.25 million km. The formulation of the grand plan that four main state expressways and three important sections which form great routes linking east, west, south, and north is now being stepped up.

#### Tenders Needed for Part of Beijing-Shenzhen Expressway

OW2302024794 Beijing XINHUA in English 0224  
GMT 23 Feb 94

[Text] Shijiazhuang, February 23 (XINHUA)—China will ask for international tenders for the construction of the World Bank-funded Shijiazhuang-Anyang section of the Beijing-Shenzhen expressway.

According to officials with the Hebei Provincial Transport Bureau, preparations for the bidding have been completed and the offering of tenders will be officially opened next month.

The Shijiazhuang-Anyang expressway, at a length of 216 km, will involve a use of 240 million U.S. dollars in loans from the World Bank, the largest World Bank loans China has ever used.

Construction of the section from Beijing to Shijiazhuang, with a length of more than 280 km, has been completed and was put into use at the end of last year.

Construction of subsequent sections of the expressway southward from Anyang city, in central China's Henan Province, will be undertaken by the provinces through which the thoroughfare passes.

The officials said that they had completed the arrangements with the help of the China International Bidding Company and had already published tendering promotion materials on the world highway construction market.

According to the officials, more than 30 businessmen involved in contracting projects from all over the world have come and carried out on-the-spot investigations of the Shijiazhuang-Anyang section.



The officials added that construction of the Shijiazhuang-Anyang section would start in May, after the bidding is finished.

**Securities Industry Integrates With World Market**  
*OW2302024894 Beijing XINHUA in English 0225 GMT 23 Feb 94*

[Text] Shanghai, February 23 (XINHUA)—The Shanghai Stock Exchange (SSE) is to adopt a series of new measures this year, in a bid to integrate itself with the international market.

According to SSE sources, the measures include listing a batch of Shanghai enterprises, issuing their B-stocks on overseas bourses, providing agency services and establishing a system of B-stock terminal trading.

The SSE intends to enroll members from foreign securities companies, which will enjoy the same treatment as domestic ones. And a state bond market open to overseas investors is in the making.

Several big-name conglomerates, including Germany's Daimler-Benz Group, are holding discussions with the SSE, seeking to be listed on the Shanghai equity market.

In addition, the SSE is to improve its dealing system and communications network with hi-tech equipment.

Now it is negotiating with relevant companies on purchasing a special telecommunications satellite which may go into use in this year's third quarter.

The SSE will also connect its computerized dealing terminal with those in Hong Kong, the United States and Britain.

Experts hold that at the end of this year the SSE will meet international requirements for worldwide competition.

**China Eastern Airlines Seeks U.S. Stock Listing**  
*HK2302054694 Hong Kong WEN WEI PO in Chinese 22 Feb 94 p c1*

[Report of interview with Eastern Airlines Vice President Xiao Liyuan (5618 4539 0337) by staff reporter Chiu I (5941 3015) in Shanghai on 21 February: "Eastern Airlines Plans To Have Its Shares Listed on the U.S. Stock Market"]

[Text] Shanghai, 21 Feb (WEN WEI PO)—As one of the two aviation companies among the second batch of Chinese state enterprises which had their shares listed on the overseas stock market, China Eastern Airlines Inc. [CEA Inc.] will seek a listing on the U.S. stock market, hoping to raise nearly 1 billion dollars. This move has attracted much attention. Today, this reporter interviewed CEA Inc. Vice President Xiao Liyuan, who is in charge of the reform oriented to the joint-stock system. He spoke about listing preparations and the company's profile.

**An Appraisal of Property and Funds Has Been Completed**

Xiao Liyuan said: China Eastern Airlines [CEA] is a core enterprise of CEA Inc., the latter being one of the 55 large enterprise groups approved by the State Council. At the moment, a reform is going on toward a joint-stock system, focusing on the company's air transport services, and preparations are being made to seek an overseas listing. The company has completed its internal appraisal of property and funds and has contacted intermediary organizations abroad, one of which will be designated before the end of this month, and the asset appraisal required for the listing can be carried out immediately. Xiao Liyuan said that the preparations for the listing can be expected to complete within six months.

**Total Assets of 11.5 Billion Yuan**

Xiao Liyuan said: CEA now has 69 passenger and cargo aircraft of world standard and the models include MD-11, MD-11F, A300-600R, A310-300, MD-82, and FK-100, most of which are on charter. It has opened over 100 air routes connecting such countries as the United States, Japan, Bahrain, Belgium, Spain, the ROK, Thailand, and Singapore; the Hong Kong region; and over 50 cities within China. The total assets of the company amount to 11.5 billion yuan. In 1993, the company had over 7,000 employees. At the moment, the CEA's Shanghai line has nearly 400 pilots, mostly graduates of the Civil Aviation Flying School with subsequent training abroad. Each year, they go to Europe or the United States for retraining in flight simulators to keep up their professionalism. The total transportation turnover is 850 million tonne-km; 5.5 million passengers have been handled; the cargo and postal volume amounts to 140,000 tonne; the average annual utilization ratio of the seating capacity is over 70 percent; the income from mainline operations is 3.467 billion yuan; foreign exchange earnings are \$374.88 million; and all its economic indexes measure up to the tradewide advanced levels within China. In the first half of last year, CEA Inc. came first on the Civil Aviation Administration of China's profit chart for all aviation companies in the country.

**Focusing on Developing International Business**

Speaking on the distribution of air routes, Xiao Liyuan said that before the European and American routes were opened, the CEA focused on short-distance international and regional routes. But now, the company has completed its conversion into an international aviation company. In 1993, the income from international flights accounted for 65 percent of the company's total turnover, the corresponding figure in 1992 being 60 percent. In the future, CEA will continue to expand its operations on international routes and strive to be an enterprise with a relatively high degree of competitiveness among international airlines and measures up to world advanced levels.

Xiao Liyuan said: Despite the fact that international aviation is in recession and the demand on China's domestic air market remains brisk, CEA is continuing to expand its international operations. Some other airlines in the world have found this hard to understand. Xiao Liyuan explained that first, the international routes that CEA covers are profitable and are in the ascendant. Second, as China's opening up to the outside world is continually expanding, the growth in international exchanges is bound to increase business volume. Moreover, Shanghai's strategic goal beyond this century is to become an international financial, trade, and economic center, which also requires a matching international aviation company and CEA is duty bound to contribute to it. In the meantime, CEA's measures on its domestic routes will focus on redistributing its transportation capacity, concentrating on the profitable ones rather than reducing the scope.

Facing the highly competitive international air transport market, Xiao Liyuan believes that the most competitive asset CEA has is its low operation cost. This is especially true with the cost of employees, which is merely one-tenth of that of some foreign airlines. The major cost outlays are for fuel and aircraft maintenance. Xiao Liyuan said that because the average service age of the CEA's fleet is under seven years, heavy repairs are not yet necessary. CEA is now able to carry out overhauls on the MD82 independently. To improve the company's aircraft maintenance capabilities, it is planning to build a new hangar, which will be the biggest in the Far East, and gradually enable itself to conduct independent D [in Roman script]-tests on all large aircraft.

#### Combining Exchange Rates Has No Major Impact

Xiao Liyuan said: The funds CEA Inc. wants to raise by listing its shares on the U.S. stock market will mainly be used to: Buy new passenger jumbo jets suited to inter-continental flight; repay the interest for aircraft chartering and other liabilities; improve the company's aircraft servicing capabilities; and update its servicing equipment. Xiao Liyuan said: Two A300's will be delivered in 1994 and two more will be purchased in 1995. Besides, there is also a tentative plan to buy a certain number of A340's. Xiao believed that because the CEA has been successful in earning foreign exchange and adjusted the fares after the exchange rates were combined, the reform of the exchange rate system has not had much impact on it. However, he also said that the ongoing tax reform has set the income tax rate for all enterprises at a flat 3 percent, though the CEA's income tax rate used to be 18 percent. The company is still trying to keep the old rate.

**XINHUA 'Economic News Briefs' for 23 Feb**  
OW2302012194 Beijing XINHUA in English 0110  
GMT 23 Feb 94

[Text] Beijing, February 23 (XINHUA)—Today's economic news briefs:

#### Maanshan Iron and Steel Company

Maanshan Iron and Steel Company in east China's Anhui Province has been ranked among the world most successful listing companies in 1993.

The selection was conducted by the authoritative "INTERNATIONAL FINANCIAL REVIEW" based in London.

The company raised 6.6 billion yuan, of which 4.2 billion yuan was from abroad, through stock issues in domestic and overseas markets last October.

Its H stock became a favorite in Hong Kong as soon as it was listed on the stock exchange.

#### Ship Inspection Simplified

On February 21, Shanghai began to adopt simplified joint inspections on international cargo vessels.

It is stipulated that ships which are allowed to institute telecom quarantine can enter the port before going through formalities. Customs staff need not step on the ships to conduct procedures.

The rules shorten the time for a ship to enter the port, strengthen port management and make it convenient for international seamen to disembark.

#### Hi-Tech Companies Successful

The Shanghai Academy of Science grossed over 900 million yuan last year, up 50 percent over the previous year.

So far, it has launched 27 joint ventures, which brought in 163 million yuan in output value and 12.5 million U.S. dollars in export income in 1993, up 100 percent and 60 percent respectively over 1992.

Some of the companies has begun to export their products.

#### PRC Opens 22 New Ports to Outside World in 1993

OW2202132794 Beijing XINHUA in English 1227  
GMT 22 Feb 94

[Text] Beijing, February 22 (XINHUA)—China has so far opened 201 ports to the outside world, according to an official from the leading group for port administration under the State Council.

These include 22 state class ports opened in 1993. They are 12 seaports, seven airports and three land ports.

The 201 ports include 108 seaports, 46 airports, 12 railway ports and 35 highway ports.

Before China implemented the reform and open policy, there were 51 ports open to the outside world.



These outlets have played an important role in Sino-foreign economic and cultural exchanges, Ye said.

Ye said more ports have been set up in inland areas in recent years. But a decade ago most open ports were scattered in border or coastal areas.

Besides state ports, some localities have also opened a number of provincial ports, which have greatly promoted local economic development.

He revealed that the country will open more ports this year

**Prosperous Village Annexes Poorer Village**

*OW2302133194 Beijing XINHUA in Eng the 1304 GMT 23 Feb 94*

[Text] Hangzhou, February 23 (XINHUA)—The annexation of a loss-making enterprise is common in China's urban areas in the current efforts to develop the market economy. But, for the first time, a prosperous village has "annexed" a poor one.

Qiuer, an economically-developed village in Yinxian County, Zhejiang Province, took over the neighboring village of Sigang.

An official of Qiuer village admitted that Qiuer used to be a poor village, where penury was peggled to make both ends meet.

But since the late 1970s, when China began its rural economic reform, the village leaders led the local farmers to develop a market economy with the focus on industry and service trades.

The village's gross output value exceeded 100 million yuan in 1992, its collective property amounted to 72 million yuan and farmers' annual income averaged more than 3,000 yuan per capita.

At present, the village's 500 households have about 200 directly-dial telephones and 15 private cars.

Visitors from other parts of the country and overseas stream into the village to learn from its experience in becoming well-off.

In contrast to Qiuer, neighboring Sigang village remained mired in poverty due to shortages of capital, technology and managerial workers.

To expand its economy and help its neighbor to become prosperous, Qiuer began to "annex" Sigang village in January last year.

With a bigger labor force and more cultivated land, the erstwhile Qiuer village has accelerated the expansion of its economy.

A survey shows that the village's gross product amounted to 350 million yuan last year and its profits reached 25 million yuan, both increases of 150 percent. Farmers' annual income last year averaged 4,000 yuan per capita, more than twice that of the provincial average.

Soon after the "annexation", Qiuer spent more than one million yuan on helping the former Sigang village build roads, install running water and powerlast months, and improve its surroundings. All the villagers in the enlarged village enjoy the equal treatment.

One year later, the annual income of all the families has doubled, everyone enjoys co-operative medical treatment and retired farmers receive pensions.

"The change is way beyond our expectation," said Qiu Aiqing, a farmer in the former Sigang village.

Qiu has contracted to farm 1.3 ha of land, and his children are working in village-run enterprises. The annual income of the family averaged 3,100 yuan per capita last year, up from 1,500 yuan in 1992.

According to Jin Haiteng, the head of Yinxian County, the "annexation" of a poor village by a rich one benefits both and leads to common prosperity.

"It is an inevitable result of the development of the socialist market economy and an optimum organization of resources," he said.

Although Zhejiang is located in China's economically-developed coastal area, some of its inland areas are still economically backward.

With the encouragement of the provincial government, more and more rich areas are following the example of Qiuer village.



### East Region

#### Fujian Expands Civil Aviation Industry

HK2302093994 Beijing ZHONGGUO XINWEN SHE  
in English 0734 GMT 23 Feb 94

[Text] Fuzhou, February 23 (CNS)—Fujian has in recent years seen rapid development of its civil aviation industry with the province now having three airports for civilian purposes, two airlines and 80 domestic and international air routes, forming an air transport network linking up with various places in the country as well as with the international community.

The province has raised capital through many channels including governmental financial allocation and joint investment of various kinds to promote the development of the civil aviation industry there with the newly-built Gaoqi International Airport in Xiamen and the Fuzhou Airport being transformed and expanded at a cost of several hundred million renminbi now making it capable of simultaneously housing eight Boeing 757 airliners and handling a passenger flow of 1.165 million and 18 million tonnes of freight annually. The growth for this industry is expected to be 30 percent every year.

At present, the province owns four civil airliners and operates 390 regular flights each week, linking up 70 cities at home and abroad. The annual volume of air passengers handled in the province exceed 3.7 million and cargo of 30 million tonnes, ranking the province tenth in the country in this sector up from one of the more backward ones in the past.

In addition, the province has plans to build several other airports including international airport in Changle, the Shaxian Airport in Sanming City and the Qingyang Airport in Jinjiang City.

#### Fujian To Lease Out More Land-Use Rights

OW2202092294 Beijing XINHUA in English 0820  
GMT 22 Feb 94

[Text] Fuzhou, February 22 (XINHUA)—South-east China's Fujian Province plans this year to lease out the rights to use 300 hectares of land valued at 4 billion yuan (459 million U.S. dollars).

One of China's provinces piloting in the reform of the land use system, Fujian leased out the rights to use 450 plots of land with a combined area of more than 600 hectares, which were valued at 5.5 billion yuan (632 million U.S. dollars).

According to Ye Wenjian, director of the provincial land administration, the prices for land-leasing are becoming more and more scientific and rational; and the transactions of land-use rights are being undertaken according to law.

Ye noted that Fujian will adopt a series of measures to standardize the land property market this year.

The province will form a fair market competition mechanism to change the conventional government allocation of land to the paid transfer of land-use rights through bidding and auction.

#### Fujian's Xiamen Zone To Develop Cultural Center

OW2102052494 Beijing XINHUA in English 0345  
GMT 21 Feb 94

[Text] Xiamen, February 21 (XINHUA)—Xiamen, one of China's five special economic zones in Fujian Province, is striving to develop into a center of art to attract more tourists.

Hong Yongshi, mayor of the city, pointed out that Xiamen is a port and one of China's major tourist attractions.

With 46 special beauty-spots and tourist sites, Xiamen is also noted for its developed education.

The mayor said that the city government plans to use its superiority of having close relations with Taiwan and Southeast Asian countries to develop the city into a leading cultural center in Asia.

#### Fujian's Foreign-Funded Firms 'Making Profits'

OW2202083394 Beijing XINHUA in English 0740  
GMT 22 Feb 94

[Text] Fuzhou, February 22 (XINHUA)—Foreign-funded enterprises in east China's Fujian Province generally report good economic returns.

According to statistics, some 80 percent of the province's 12,778 foreign-funded firms are making profits, 15 percent maintain a balance and the other three percent to five percent are losing money.

The promising investment environment and profitable production spur foreign business people to expand their projects.

It is estimated that the increased amount of foreign investment so far this year is nearly 2 billion yuan.

Foreign-funded enterprises have become a major force in exports from the province.

Last year, foreign-funded companies achieved an export value of 3.004 billion dollars, constituting 52.9 percent of the total for Fujian.

Their exports include garments, shoes, electronic and chemical products and building materials. The markets are in Europe, the United States and Japan.

The average foreign investment in each foreign-funded project was 2.41 million U.S. dollars last year, much higher than the average for the country as a whole.

Overseas funds are increasing in infrastructure, the power industry and service sector.

A number of foreign-funded electric power projects have been approved by the province. The Meizhou Bay power plant is a solely foreign funded project. Its initial investment topped 350 million U.S. dollars.

Foreign-funded firms have also started to conduct management based on Chinese monetary and taxation policies.

In addition, many of them have set up retirement insurance schemes for their employees.

**Fujian Survey Sees Rise in Peasants' Income**

*HK2102023894 Fuzhou Fujian People's Radio Network in Mandarin 2300 GMT 18 Feb 94*

[Text] A sample survey conducted recently by the Fujian Rural Investigation Center revealed: The per capita net income of peasants in the province's 69 counties, cities, and districts rose by a large margin in 1993. For instance, per capita net income of peasants in the province's 10 cities and counties—including the suburbs of Fuzhou, as well as Jinjiang County, Shishi City, Nanan County, Dongshan County, Fuding County, Puan City, Hui'an County, Putian City, and so on—increased by more than 300 yuan in 1993. The per capita net income of peasants in the province's four prefectures, cities, and districts—including the suburbs of Fuzhou, as well as Jinjiang County, Shishi City, and the suburbs of Xiamen—now has exceeded 2,000 yuan.

**Jiangxi People's Congress Holds Seventh Session**

*HK2202093994 Nanchang Jiangxi People's Radio Network in Mandarin 1100 GMT 19 Feb 94*

[Excerpt] The Seventh Session of the Eighth Provincial People's Congress Standing Committee opened in Nanchang this morning. Of the 55 designated participants, 53 were present, which constituted a quorum. Mao Zhiyong, secretary of the provincial party committee and chairman of the provincial people's congress standing committee, presided over the morning session. Wang Zhaorong, Chen Guidun, Wang Guoben, Wang Zhongfa, and Hu Dongtai, chairmen of the provincial people's congress standing committee, attended the session. Also present were: Vice Governor Zheng Liangyu; (Li Shouyuan), president of the provincial higher people's court; Xie Guishan, chief procurator of the provincial people's procuratorate; and leaders of the working departments of the provincial people's congress standing committee, city people's congress standing committees, and liaison offices of local people's congress standing committees. [passage omitted]

**XINHUA Views Jiangsu Noncommunist Party Role**

*OW2302033894 Beijing XINHUA in English 0252 GMT 23 Feb 94*

[Text] Nanjing, February 23 (XINHUA)—Non-Communist Party and other organizations in

Jiangsu Province, east China, as well as important figures without any party affiliation have made important contributions to the successful management of governmental affairs in co-operation with the ruling Communist Party.

Chen Huanyou, secretary of the Communist Party committee and the governor of Jiangsu Province, said that cooperation between these people and the Communist Party has been enhanced in recent years.

According to sources, the 23,000 people from non-communist parties and the local federation of industry and commerce maintain regular cooperative contacts with 148 corresponding departments of the government.

More than 300 of them have been appointed special supervisors in different fields of work; over 14,000 are serving on committees of the Chinese People's Political Consultative Conference at different levels; 12,000 are elected deputies to the national and local people's congresses; and 238 are in leading local government posts.

In addition, these people are very enthusiastic in conducting investigations on special subjects, and presenting their findings to central and provincial governments, and their views are highly valued.

Consultations and discussions are often held to listen to the opinions of members of non-communist parties and the federation of industry and commerce to help boost the local economy and improve administrative quality.

**Shandong Secretary Speaks at Sports Conference**

*SK2202033194 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 21 Feb 94*

[Text] At the provincial sports work conference held on the morning of 21 February, Jiang Chunyun, secretary of the provincial party committee, called for efforts to fully understand the importance and necessity to strengthen sports work in the new situation, increase the dynamics of reform, achieve breakthroughs in key areas, and promote Shandong's sports undertakings as soon as possible.

The conference was held by the provincial party committee and government. Its major tasks were to summarize and introduce Shandong's experiences in sports work gained in the past few years and to discuss the major plans for developing Shandong's sports work in order to upgrade its level of competitive sports and build Shandong into an advanced province in sports as soon as possible.

Jiang Chunyun said in his speech: Like other work, Shandong's sports has also yielded notable results over the past few years. Compared with advanced provinces, however, there is still a large gap, which is manifested conspicuously in the slow pace in upgrading the level of competitive sports, the failure in emphasizing key sports, too small a number of outstanding athletes, especially first-rate ones, the small contributions to the state, the



outdated concepts on sports, the weak sense of competition, the weak scientific and technological forces related to sports and the lack of personnel, inadequate investment in sports, and the lack of complete and extensive necessary sports facilities. We should give in-depth reflection over this issue, unify our thinking, and have great determination to promote our sports undertakings as soon as possible.

Jiang Chunyun pointed out: Developing sports is a long-cherished strong desire of the people of the province. Shandong totally has the conditions and ability to promote sports. It has no reasons, whatsoever, to fall behind. Based on the requirements on sports work put forward at the sixth provincial party congress, we have defined a strategic target of building Shandong into an advanced province in sports and ranking it among the strong provinces in sports in seven years. Shandong's sports work for the present and for some time to come should be dominated by reform, focused on competitive sports, and led by the endeavor to achieve technological progress. It should learn from the advanced experiences at home and abroad, seize the opportunity to bravely conduct explorations, go all out to catch up with others, and blaze a new road for sports development with Shandong's characteristics as soon as possible.

Jiang Chunyun emphasized: Strengthening leadership over sports work is the basic guarantee for attaining the strategic target of building Shandong into an advanced and strong province in sports. Party committees and governments at all levels across the province should regard sports as an important component of the socialist modernization drive, include it on their agenda, and study and resolve the issues on sports reform and development. The province, as well as prefectures and counties, should establish the leadership responsibility system at every level, enhance their work, implement specific measures, and promote sports work in a realistic manner. Leaders should be held responsible in the localities where sports cannot be promoted for long periods. From now on, achievements in sports work should be taken as a criterion for appraising party and government leaders at all levels. We should be willing to send competent personnel to work in sports departments, increase investment in sports undertakings, formulate and implement sports standards and plans, and strive to build Shandong into an advanced province in sports and rank it among the strong provinces in sports.

Zhao Zhihao, deputy secretary of the provincial party committee and governor of the province, also spoke at the conference. Vice Governor Wu Aiying read the decision to commend the personnel who had made contributions to the seventh national games and advanced units. Responsible persons of the provincial trade union council, the provincial women's federation, the provincial commission for physical culture and sports, and the work committee of the organs of the provincial government also read the decisions to commend the personnel and units who had achieved outstanding results at the seventh national games.

Han Xikai, deputy secretary of the provincial party committee, chaired the conference. Attending were Lu Maozeng, chairman of the provincial committee of the Chinese People's Political Consultative Conference; Ma Zhongcai and Miao Fenglin, vice chairmen of the provincial people's congress standing committee; and Ma Changgui, special adviser to the provincial government.

**Shandong Secretary Lands Xu Honggang**  
*SK2302054494 Jinan Shandong People's Radio*  
*Network in Mandarin 2300 GMT 22 Feb 94*

[Text] On 22 February when meeting with the report group composed of advanced individuals who follow Xu Honggang as their model in having the courage to do what is right regardless of consequences, Jiang Chunyun, secretary of the provincial party committee, pointed out: We should closely proceed from the reality of reform, development, and stability; deeply and constantly launch the campaign of learning from Xu Honggang; cultivate a generation of new socialist persons with ideals, morality, education, and a sense of discipline; fill the great land of Shandong with rich fruits in a heroic spirit; and promote the construction of the spiritual and material civilizations in the province.

Jiang Chunyun, secretary of the provincial party committee; Li Chunting, deputy secretary of the provincial party committee and vice governor of the provincial government; and Li Wenquan and Han Xikai, deputy secretaries of the provincial party committee, shook hands with the seven members of the report group one after another and also cordially talked with them.

Jiang Chunyun said: Xu Honggang is the hero of the people and the model of the times. His heroic deeds embody the fine morality of our Chinese nation, the fine traditions of the party, and the fine work style of the army. Xu Honggang is a hero of the Lei Feng type. Extensively launching the campaign of learning from Xu Honggang is of extremely important significance to promoting the province's socialist material and spiritual civilizations. We should emulate Xu Honggang's firm socialist and communist belief, his adherence to the purpose of the party and the purpose of the army, his spirit of serving the people wholeheartedly, his [words indistinct] spirit of being faithful to and ardently loving his jobs, and his [words indistinct] of having the courage to do what is right regardless of consequences and fearing no sacrifice to benefit the people.

At the meeting, Jiang Chunyun cordially urged Xu Honggang to take care of his own health. On behalf of the provincial party committee and the provincial government, he expressed respects to the rest members of the report group, including (Zhang Bengang) who is from [name indistinct] county of Sichuan Province.

### Shanghai Secretary Views Government Report

OW2102233594 Shanghai People's Radio Network in Mandarin 2300 GMT 19 Feb 94

[From the "990 Morning News" program]

[Text] In deliberating the municipal government's work report during a panel discussion with people's congress deputies from Nanashi District yesterday afternoon [19 February], Deputy Wu Bangguo, member of the CPC Central Committee's Political Bureau and secretary of the Shanghai Municipal Party Committee, once again reiterated: We must cherish and firmly seize opportunities. Our comrades should always bear in mind Comrade Xiaoping's dictum that development is the last word. In discussing this year's work, deputies asked whether deficit-ridden, district-owned collective enterprises should be allowed to declare bankruptcy. Wu Bangguo noted: Some small district-owned enterprises may be sold to individuals in a step-by-step manner, whereas enterprises incurring substantial losses may be allowed to go bankrupt. We must, however, approach this matter very prudently.

When deputies from educational circles discussed educational issues, Wu Bangguo said: It is not easy to undertake educational service. Shanghai now suffers an acute shortage of skilled personnel; the training of skilled personnel in demand brooks no delay.

Wu Bangguo exhorted: While maintaining Shanghai's strong momentum for economic development, we should earnestly solve several problems of concern to the people. First, we should ensure that shopping baskets are filled, stabilize and develop production bases of non-staple foodstuffs, actively develop agriculture with distinctive features, and improve commodity distribution. Second, we should heed issues relating to state-owned enterprises, especially those pertaining to deficit-ridden enterprises. Properly dealing with enterprises making meager profits or incurring losses not only affects Shanghai's economic development but also the vital interests of many workers. We should be determined to solve these problems. Third, we should resettle [words indistinct]. Fourth, we should show concern for people's lives and earnestly solve the problems of low-wage workers regarding their livelihoods.

### Zhejiang Official Notes State Security Work

OW2002115694 Hangzhou ZHEJIANG RIBAO in Chinese 28 Jan 94 p 1

[By reporter Zhou Yongnan (0719 0737 0589) and correspondent Xiao Shan (2556 1424): "Chai Songyue Addresses a Provincial Conference on State Security, Urges the Whole Party and People To Pay Great Attention to State Security Work"]

[Text] "The whole party and the whole people must pay great attention to state security work. It is even more

important for state security organs to remain sober-minded, to have a clear understanding of the situation, to be mindful of possible danger in times of peace, to heighten our vigilance, to enhance their sense of urgency and responsibility, to always give prominence to efforts to maintain political and social stability, to strengthen the role of democratic dictatorship, and to actively prevent and crack down on various kinds of unlawful practices and criminal activities that jeopardize state security." These were the demands made by Chai Songyue, deputy secretary of the provincial party committee and executive vice governor, at a provincial conference on state security work held in Hangzhou on 26 January.

On behalf of the provincial party committee and government, Chai Songyue highly praised the efforts made by the state security organs at all levels in the province to safeguard state security and social stability in the past year, and their contributions to promoting the economic development of Zhejiang Province. He said: On the whole, the current international situation is extremely favorable to us; however, we must clearly discern that the world is still not peaceful, because the underlying struggles between espionage and counterespionage, infiltration and counterintelligence, and attempts to steal secret information and efforts to combat such attempts have become increasingly complex and acute. Therefore, the more we carry out reform and the opening policy, and the more we accelerate economic development, the more we must beef up state security work. State security work is a strategic undertaking that has a bearing on the safety and well-being and on the survival or collapse of a country. It occupies a highly important place and plays a vital role in the political and social lives of a country. The provincial party committee and government have attached great importance to state security work. From now on, we still have to vigorously enhance our leadership over state security work and give our leaders greater support and help in their bid to eliminate worries and surmount difficulties. Party committees and governments at all levels must earnestly implement the instructions and guidelines of the CPC Central Committee, as well as the provincial party committee, with a great sense of political responsibility and a serious attitude, and must give practical help and support to state security organs. Various departments and units must also actively support and coordinate with state security organs while carrying out various tasks. At the same time, he pointed out: The work on the secret front is of a special nature, and this special nature calls for steadfast party spirit, a firm political stand, strict discipline, high professionalism, absolute loyalty, great skill and expertise among comrades on this front. He urged state security organs at all levels throughout the province to step up efforts to improve themselves and improve the combat effectiveness of their contingents, to train cadres and policemen to establish a concept to serve the people wholeheartedly, a concept of hard struggle and selfless dedication; to promote the spirit of "prudence and independence" [fayang shendu jingshen—4099 2254



1957 3747 4737 4377], to be good at resisting various types of degenerate thinking and at resisting the decadence and temptations of the seamy side of things, and to actively dedicate themselves to state security undertakings.

Si Daxiao, member of the Standing Committee of the provincial party committee and secretary of the provincial Political Science and Law Commission, was present at the meeting.

The meeting relayed the guidelines of the national state security conference. Zhu Ziru, director of the provincial state security department, presented a work report, and leaders at various levels under the provincial state security system attended the meeting.

#### **Zhejiang Continues Construction of Zhoushan Port**

OW2202065994 Beijing XINHUA in English 0635 GMT 22 Feb 94

[Text] Beijing, February 22 (XINHUA)—China will complete the construction of its largest commercial base for petroleum at Zhoushan Port, Zhejiang Province, in the first quarter of this year.

According to the "PEOPLE'S DAILY" [RENMIN RIBAO] (overseas edition) today, the feasibility study of the second phase of the project at Aoshan has passed a technical appraisal.

With an investment of 29.96 million U.S. dollars, the phase consists of oil tanks, with a combined storage capacity of 500,000 cu m, and supportive facilities.

The base will have an annual handling capacity of more than 10 million tons upon completion.

Zhoushan is a harbor with a lengthy coastline suitable for building docks; along 164 km the water is as deep as 10 m. It has a 1,000-sq-km inshore area, about the same size as that of Rotterdam Harbor in the Netherlands.

The paper noted that the Zhoushan City Government has decided to develop the port with foreign investment and cooperation.

At present, Zhoushan is speeding up the construction of infrastructure facilities to pave the way for the overall development of the port. An airport is expected to open to domestic routes in 1995, the paper reported.

#### **Central-South Region**

##### **Guangzhou Official Says No More Funds to State Firms**

HK1902061094 Hong Kong TA KUNG PAO in Chinese 19 Feb 94 p 7

['Special dispatch' by staff reporter Ho Sui-yi (0149 4482 1837): "Chen Kaizhi Stresses No More "Funds Will Be

Injected" into Stated-Owned Enterprises; Bankrupt State-Owned Enterprises Will Experience 'Euthanasia'"]

[Text] Guangzhou 18 Feb (TA KUNG PAO)—Guangzhou Vice Mayor Chen Kaizhi acknowledged that "[Guangzhou authorities] have eventually come around to the issue of ownership of the enterprise's assets," and decided against injecting more funds to save those perishing state-owned enterprises on the brink of bankruptcy, but would urge them to close like the process of "euthanasia." "Matchmaking" would be conducted for those enterprises in puberty [qing chun qi 7230 2504 2601] so that they might be "married" as early as possible, with "the market, interests and privileges as well as equity" boldly conceded to foreign businessmen.

He indicated that Guangzhou would take major action in the transformation of enterprises in the share-holding system; a specialized trade center for property rights would be set up. Regarding those state-owned enterprises in poor condition, an asset evaluation would be conducted rationally by a state-owned asset management company; at the same time some enterprises would be founded to purchase those "perishing" enterprises, which would revive them through special packaging, transformation, repair and maintenance, then they will be sold at higher prices. In a nutshell, those "perishing" enterprises would no longer be salvaged through bank loans at discounted interest rates and assured power supplies to linger out a meager existence, but would implement a measure likened to "euthanasia."

In addition, he stated that Guangzhou would complete the transformation of enterprises to companies within two or three years, with the shaping of an operational pattern of multiple economic factors. An enterprise might form a board comprising many aspects with several bosses. Should the shares of these enterprises be transferred, they could be sold to state-owned enterprises which were rich, or be listed by the company, while allowing share-holders to buy the shares. In addition, foreign businessmen could buy those shares, too.

Today, Guangzhou boasts some 20,000 enterprises in various categories, of which some 4,000 are industrial enterprises. Take the large-type Zhujiang cement work for example. Earlier, it sold half of its equity to some foreign businessman, and managed to transfer its loans; consequently, the enterprise is developing "without any burden."

Through defining enterprise property rights and asset evaluation, said Chen Kaizhi, from now on dynamic control would be implemented regarding state-owned assets, so that state-owned enterprises might appreciate in management. He believed that the reform of property rights would be an impetus to bring along the further deepening of enterprise reform in China.

**Guangdong To Preserve 'No. 1 Status'**  
*HK2302072294 Hong Kong SOUTH CHINA  
MORNING POST in English 23 Feb 94 p 21*

[Text] Guangdong has again squeaked through—but at a price. In spite of the cold wind from the north over the need to march in step with Beijing—and competition posed by Shanghai, Pudong and myriad upstarts—Hong Kong's favourite province looks set to preserve what American economics guru Ezra Vogel calls its No. 1 status. In return for a relatively free hand to experiment with quasi-capitalistic market tools, however, Guangzhou has to make concessions to the cadre mandarins in the capital in economic, and particularly, political matters.

At the current Guangdong People's Congress, provincial leaders have unveiled a growth target for this year of 15 per cent, well above the national average of nine per cent. Local economists say this is an underestimation aimed at allaying Beijing's fears for hyperinflation and runaway capital construction. Individual cities, however, have openly vowed to maintain if not better their fantastic development clips of 1993. These range from 23 per cent for Guangzhou and an incredible 96.9 per cent for Huadu, where the new Guangzhou International Airport would be located.

Equally important, Guangdong leaders have obliged Beijing to tone down tax policies—mainly the "dual tax system" and the Value-Added Tax (VAT)—aimed at boosting contributions to central coffers. When the fiscal reforms were promulgated late last year, Beijing was unequivocal about the fact they would be implemented on January 1, and that provincial authorities would have no autonomy to make local variations. In a briefing to a group of Hong Kong editors last weekend, however, Guangzhou mayor Li Ziliu hinted that Beijing had vouchsafed the province a "stable transition" of at least two years from the original "financial contract responsibility system" (FCRS) to the dual tax system. Under the old regime, Guangdong made a mutually agreed-upon contribution to Beijing, which took into consideration its need to retain more of its profits for re-investment. The new system, which will carve out tax bases for the centre and the localities, will give Guangdong no such edge. Mr Li claimed that the synthesis between the FCRS and the new tax regime will result in both central and local coffers getting more.

Guangdong officials have also assured Hong Kong and other overseas developers that, Beijing's strictures notwithstanding, there will be subtle regional variations to the VAT to be imposed on property deals. Mayor Li had this to say about the much-feared VAT on real estate: "Guangzhou will take into account practical realities and pay attention to dovetailing the new taxes with the old ones with a view to safeguarding the interests of investors." Translation: Guangdong officials will ally themselves with foreign investors in lobbying Beijing to acquiesce in modifications that will benefit all parties.

In spite of Beijing's recent emphasis on "boosting macro-level adjustment and control," Guangdong has made new strides in quasi-privatisation. Last year, exports from enterprises with foreign participation overtook those from state concerns. Mayor Li disclosed that all government-owned business units in his city will be converted into "Western-style" corporations within two years. Most of Guangzhou's money-losing state enterprises, which have assets amounting to 8 billion yuan, will be overhauled through means including their conversion into shareholding companies where workers and overseas investors can hold large stakes.

With its aggressive strategies of attracting foreign funds to hitherto taboo areas including airport construction, Guangdong's lead over the rest of country in the creative utilisation of non-Chinese capital is widening. Perhaps most important to the long-term prosperity of the "before-the-times" province, Guangdong has undertaken a number of relatively sensitive political reforms. For example, the legislative session this week is open to a record number of citizens, including the bosses of private businesses. The congress is also set to pass a landmark Law of Supervision that will vest powers in the provincial and municipal legislatures to "oversee and supervise" the work of the government, the courts and the procuratorates. For the first time, the congresses can summon officials to explain policies or account for dereliction of duty. Guangdong is also a pace-setter in the fight against graft. A number of cities have established anti-corruption or clean-government organs that are partially modelled on Hong Kong's Independent Commission Against Corruption.

Pronouncements by provincial leaders this past week have also made it clear, however, that Guangzhou has made major accommodations with Beijing. In deference to Beijing's revival of the old ideal of "taking grain as the key link", Guangdong will follow the national trend by laying down specific targets for the production of rice and wheat. To preserve arable land, the area of new industrial development will be cut by at least 10 per cent this year. Investment in agriculture will also increase substantially.

It is unlikely Guangzhou can succeed in persuading Beijing to let it assume overall responsibility for "national-level" projects like the new airport. Beijing has foisted more serious political baggage on Guangdong with the imperative of building "spiritual civilisation," a tattered euphemism for strengthening one-party dictatorship and weeding out "all-out Westernisation". In his report to the congress, Governor Zhu Senlin toed the harsh line by reiterating the "firm with both hands" policy meaning that political control will be boosted in tandem with economic liberalisation.

Largely following Beijing's initiative, ideological police in the province have since late last year launched a ruthless crackdown on a dozen-odd publications for propagating "bourgeois liberalisation". Reports in the Hong Kong and Taiwan press said that punishments had



been meted out to the media including the Nanfang Weekend [NANFANG ZHOUMU SUPPLEMENT of NANFANG RIBAO], Tourism Trend, Hope, Culture Square, the Dongfang Evening News [DONGFANG WANBAO], the Star [English-language newspaper published in Shanghai], the Guangdong-Hong Kong Information Daily [YUEGANG XINXI BAO] and the Guangzhou Youth Paper. The new war against "Western spiritual pollution" contradicts not only the nascent spirit of political reform but also Guangzhou's commitment to integrate its economy with the capitalistic world.

#### **Guangdong Set To Benefit From Tax 'Revamp'**

HK1902080694 Hong Kong SOUTH CHINA  
MORNING POST in English 19 Feb 94 pp 1, 8

[By Daniel Kwan in Guangzhou and Chris Yeung]

[Text] Guangdong, the most economically dynamic region in China, is likely to actually benefit from the controversial tax revamp, this year's budget plan has revealed. The provincial budget as well as a Government Work Report by Governor Zhu Senlin will be tabled at a provincial People's Congress which opens in Guangzhou today.

In his work report, Mr Zhu is to swear allegiance to the central Government by pledging to implement Beijing's tax reform programme. He will also stick to calls for "sustained, high speed, and healthy" growth of the economy this year, avoiding phrases such as "fast-track growth".

The Government will reduce fixed asset investments by 10 per cent and cut down re-investment by enterprises by about 30 per cent, Mr Zhu says in his report. But he vowed to take all means to ensure Guangdong is one step ahead of other provinces in marching towards a market economy.

About 800 delegates arrived in Guangzhou yesterday to attend the Second Session of the Eighth Guangdong People's Congress. Although no major personnel changes are expected at the congress, the week-long conclave has been seen as significant as the drastic tax reform, which was considered the centre-piece of this year's economic reform, will face the test. For instance, delegates will be asked to endorse the controversial value-added tax (VAT).

According to conference documents, Guangdong and Beijing agreed to a formula on the share of revenue from VAT. Beijing will get 75 per cent while the remaining one-quarter goes to local funds. However, Guangdong will receive a yearly increase of rebate from Beijing to guarantee the local treasury will not suffer under the new package. Moreover, Beijing has also agreed to allow Guangdong to keep its annual increase of financial contribution to the central [authorities] to nine per cent. This was despite the fact that Guangdong achieved a 56.42 per cent increase of government revenue last year.

The tax arrangements have been seen as concessions made by the central authorities to the southern province, which had earlier been widely seen as the worst-hit region under the tax reform. According to the Government Work Report, the economic growth rate for 1994 has been set at 15 per cent. The national target adopted by the central Government for this year is nine per cent. Industrial output is expected to rise 21 per cent while the province's agriculture will grow at five per cent.

While Guangdong's social retail index—a key indicator of inflation—jumped 18.2 per cent last year, the Governor is hoping to keep the figure below 12 per cent this year. Mr Zhu will also give a rundown of the glowing success of his province last year and ask the delegates for their support in pushing ahead the reform agenda, especially the new tax reform package.

Three areas—runaway fixed investment, neglect of agriculture by the government, and inflation have been singled out for concern this year. The report says fixed assets investments increased 58.5 per cent reaching a staggering 146.1 billion yuan (about HK\$130 billion) last year.

Damages by deluge and typhoon also cost the province as much as 1 billion yuan last year. "The third [problem] is a relatively large increase of inflation. The social retail price index rose 18.2 per cent over the previous year," the report says.

However, Mr Zhu's report made no mention of a series of industrial accidents in Shenzhen last year, killing more than 100 people. The report also has little to say on the chronic problem of inflation. Prices of grain went up by more than 40 per cent in Guangzhou last November. The surge of prices has prompted the central Government to re-impose price control in major cities.

Last night the China News Service reported that the State Planning Commission and the State Administration of Taxation had recently issued a joint directive ordering the authorities to maintain stable prices following the implementation of tax reform.

Meanwhile, a tight budget is to be delivered by top finance official at the Guangdong conclave. According to a report to be tabled by head of the Bureau of Finance, Zeng Bingsheng, total revenue for the Government last year reached 34.6 billion yuan, 11.1 billion up from the previous year. That represented a 56.4 per cent increase.

Mr Zeng is to tell delegates that Guangdong is unlikely to suffer under the new tax scheme. The provincial Government is expected to have a 9.89 per cent real increase of revenue this year.

#### **Guangdong's Procurator Comments on Curbing Economic Crime**

HK2202143294 Beijing ZHONGGUO XINWEN SHE  
in English 0946 GMT 22 Feb 94

[Text] Guangzhou, February 22 (CNS)—The Guangdong procuratorial organs have listed the cracking down

on bribery and corruption as their main task in dealing with economic crimes and have concentrated their forces on the investigation of and dealing with big and serious cases of such kind, making great achievements in this sector.

Chief Procurator of the Guangdong Provincial People's Procuratorate, Mr. Wang Jun, speaking this morning at the provincial people's congress being held here, said that some 4,246 economic cases including those of bribery and corruption were filed in the procuratorial organs at various levels in the province last year with 1,670 of them investigated and 1,249 of these involving sums of RMB 10,000 [renminbi] or more, making up 74 percent of the total and 27.7 percent up over the year before.

From August to December last year, there were 905 such economic cases in the province involving 1,036 persons and 677 cases involving sums of RMB 10,000 or more, 20 percent up over that seen in the previous seven months while those involving RMB one million or more were put at 29.

Of the cases discovered in the latter five months of last year, 373 were committed by party and government officials working in such departments as legislation, administrative law-enforcement and economic management, involving 394 people of which 19 were cadres of county or division ranks.

In a related development, according to the report by the president of the provincial higher people's court, Mr. Mai Chongkai, to the provincial people's congress, the people's courts in the province last year handled 2,400 foreign-related cases involving foreigners, overseas Chinese and people from Hong Kong, Macao and Taiwan with these cases covering civilian, economic, marine and administrative affairs.

With the widening of opening to the outside world, the foreign-related cases in the province have been increasing annually with a 4.2 percent growth last year over that seen in the year before.

According to Mr. Mai, the province last year handled over 900 cases regarding claims of returning housing property rights by owners of overseas Chinese and compatriots in Hong Kong and Macao with all these cases being properly handled in line with relevant regulations and policies.

In order to meet the needs of opening to the outside world, the provincial people's court last year set up an economic court dealing with foreign-related cases while middle-level as well as grass-roots people's courts which face a relatively greater number of such cases also set up their corresponding organs to deal with such cases.

### Guangdong Law To Protect Workers

OW2302021194 Beijing XINHUA in English 0203  
GMT 23 Feb 94

[Text] Guangzhou, February 23 (XINHUA)—The interests of workers in all enterprises in Guangdong Province, south China, are expected to be better protected when a new law goes into effect March 1.

Chen Bing, director of the Guangdong Federation of Trade Unions, said that the local law is applicable to all workers, in both regular and temporary employment, in enterprises of different ownerships under the province's administration.

The law will put special emphasis on workers' interests, and it states clearly for the first time that victims should get compensation, instead of merely punishing those infringing workers' interests, Chen said.

In the course of changes in the economic pattern, some problems concerning the relations between labor and capital have popped up—basically problems concerning working time, payment, safety and health care, insurance and welfare, government officials said.

A random sample survey conducted by the provincial federation of trade unions among 1,500 workers indicates that 39 percent of the workers enter factories without signing contracts, and the payment in two-thirds of foreign-funded enterprises is lower than the yearly local average pay.

The survey also shows that as many as 61 percent of employees work seven days a week, and 42 percent of them work ten hours or more a day.

### Guangdong Forms Rural Education Network

OW1902083094 Beijing XINHUA in English 0716  
GMT 19 Feb 94

[Text] Guangzhou, February 19 (XINHUA)—A multi-form education network for compulsory, professional and adult education has been set up in the rural areas of Guangdong Province as a result of a reform program.

To raise the quality of rural laborers, Guangdong, a rising area in South China, has exerted big efforts to popularize nine-year compulsory education and promote anti-illiteracy programs among adults.

By the end of 1993, nine-year compulsory education was implemented in the province's 48 counties and prefectures. In the 17 pilot counties and cities for rural education reform, the enrollment rate of middle school students reached 95 percent in 1992.

In rural education, priority is given to technical training in rural primary and middle schools so that the students can put their knowledge immediately into use.



Some 134 vocational schools have been set up in the 17 pilot counties and cities, which have helped trained 60 percent of the rural enterprises' employees.

Rural education has always stressed the combination of education, production and scientific research.

The ten vocational schools of Shunde Counties have opened 18 courses in line with the needs in the development of rural enterprises and agricultural modernization.

In the past ten years, the schools have trained more than 8,000 students who have become an important force in agricultural production and rural industry.

### **Shenzhen Reportedly Poised To Become 'Second Hong Kong'**

*HK2302054894 Hong Kong SOUTH CHINA MORNING POST in English 23 Feb 94 p 14*

[By Daniel Kwan in Guangzhou]

[Text] Shenzhen is the best qualified Chinese city to be the "second Hong Kong" on the mainland, Shenzhen and Guangdong officials said yesterday. Li Haidong, director of Shenzhen People's Congress, said the congress would speed up its work so that Shenzhen could be the first Chinese city to establish a legal framework to serve the development of the "socialist market economy". The whole legislative process should take three to five years. At least 25 new laws will be introduced this year and many are considered unprecedented in China.

The director, who is in Guangzhou to attend the eighth Guangdong People's Congress, said these new legal codes would not contradict those passed by the Central and provincial authorities. They include a property transaction law, laws on partnership companies and companies with unlimited liabilities, social insurance law and a statute on state owned properties.

And Lin Ruo, chairman of Guangdong People's Congress, said the Shenzhen experience would soon be spread to other cities of Guangdong. "This is natural. Cities which have the conditions can soon follow Shenzhen," Mr Lin said. Building more Hong Kongs on the mainland was first suggested by patriarch Deng Xiaoping to push ahead his quasi-capitalist reform experiment.

According to Mr Li, the Shenzhen Congress will step up its supervision over the Government to make sure that all these new laws would be implemented. In addition, Shenzhen would also encourage more lawyers to set up law firms in the city to provide the necessary service to the public. While Mr Li admitted that many government officials only paid lip-service to the statute book, he said changes needed time. When asked about the industrial accidents that happened in Shenzhen last year Mr Li agreed they occurred because many city government officials lacked a "crisis consciousness". "(We've)

learned a very deep lesson (last year)," he said. "This has helped our leaders to understand that on the one hand they must do a good job in reform and opening up, but on the other hand they have to do better in their management." He added the most important point was that administration should be anchored on a body of laws that is, the realization of the rule of law.

Meanwhile, Mr Li said Shenzhen had had difficulties in maintaining social order because it was an open city. He said although the majority of mobile population in Shenzhen were law-abiding, some were bad elements.

Speaking on another occasion, Shenzhen Mayor, Li Youwei, indicated Shenzhen was the "best qualified" city in China to become the second Hong Kong because it had accumulated rich experience in its experiment with the market system.

### **Shenzhen Attempts New Income Distribution Program**

*HK2302080994 Beijing CHINA DAILY in English 23 Feb 94 p 4*

[From the "Opinion" page: "Shenzhen's New Income Allocation Is Good Example"]

[Text] The Shenzhen Special Zone is trying to distribute individuals' income in line with their investments in production, according to Shenzhen Special Zone Daily [SHENZHEN TEQU BAO].

It is something new in China's mainland, which has been following the principle of "to each according to his work" since the founding of the People's Republic in 1949.

Today, this guideline for income distribution remains the mainstay in the country.

Under Shenzhen's ~~new~~ distribution system, investors shoulder the risk, as well as profits, of their investments.

No doubt, the newspaper points out, the new system does not repel the principle of "to each according to his work," since the labour force is still one of the key productive factors among labour, land and funds.

With the deepening of the market-oriented reforms, more Chinese people are not only aware that they can increase earnings with more manual and mental work, but also they are entitled to larger profits with more investment.

These investments include both money and properties.

### **Migrants**

According to the Shenzhen Special Zone Daily, local farmers used to have the highest income, followed by immigrant farmers, self-employed businessmen, enterprise employees, government functionaries and temporary migrants.

The income gaps among these groups can be mainly traced to their different amount of investments, says the newspaper.

In addition to the income earned through farmwork and sideline production, farmers can get interests from bank deposits, rent from let houses and profits from land lease.

By contrast, temporary migrants are only paid for manual labour.

Shenzhen's experiment is conducive to developing a market economy, says the daily.

Under the socialist market economy, the distribution of income is based on a market mechanism instead of the government monopoly; otherwise it would be hard to guarantee the fairness of distribution.

During past reforms, Shenzhen has rejected many traditional norms and adapted to new systems practical in a market economy. The new income distribution system is another step forward.

Many new companies in Shenzhen are foreign-funded, with the Chinese partners providing the land for workshops. In this way, the Chinese side can profit by investing capital and land.

This is a concrete example of the new distribution system and should be encouraged, says the newspaper.

It can encourage individuals to invest their surplus funds, land and houses into production, increasing the efficiency of resource allocation, improving productivity, boosting social wealth and creating more job opportunities, says the newspaper.

Also the State coffers can benefit.

Self-employed businesses in Shenzhen paid taxes of 314 million yuan (\$36.1 million) in 1992.

Encouraged by the new income distribution system, the region's private economy, as an engine of the local economy, has been advancing robustly.

And personal savings soared to a record high of 17.5 billion yuan (\$2 billion) last year, the newspaper said. Meanwhile, more and more people lease out their houses and invest in industries such as securities.

#### Fortune

Although the new system can avoid egalitarianism, efforts must be paid to fight against smuggling, tax dodging and graft-taking.

Policies and regulations must be enforced to guard against social and political chaos triggered by the ever-widening income disparities in the fierce market competition.

Since different economic sectors have increased cooperation and infiltration, and people's income comes

from various sources, the management of distribution should target controlling the scale of individual income.

The sources from which people earn their income should be overlooked.

It is important to improve the management of individual income tax, by issuing and seriously enforcing laws on taxation, says the newspaper.

The government, aiming to bring universal prosperity to the Chinese, should encourage different economic sectors to boom, as long as they are operated within State regulations and laws, says the newspaper.

#### Shenzhen Sets Up Intellectual Property Rights Court

OW2102084294 Beijing XINHUA in English 0645  
GMT 21 Feb 94

[Text] Shenzhen, February 21 (XINHUA)—An intellectual property rights division of Shenzhen intermediate people's court has recently been set up here.

The government of Shenzhen, one of the country's five special economic zones, has in recent years brought in a series of reform measures in the field of intellectual property rights.

The pioneering auction of new technologies and inventions has effectively promoted the application of technological and scientific achievements to production.

More and more local enterprises have stipulated that holders of new technology or inventors of new products can become shareholders of the enterprises in return.

However, the economic boom has also given rise to disputes involving intellectual property rights.

Shenzhen intermediate people's court handled 18 cases last year involving intellectual property rights. Disputes about industrial property rights and patent rights of foreign trade marks accounted for the majority.

The newly-founded court will strengthen protection of intellectual property rights more effectively, according to the president of Shenzhen intermediate people's court.

#### Shantou Stresses High-Tech Development

OW2202050494 Beijing XINHUA in English 0145  
GMT 22 Feb 94

[Text] Guangzhou, February 22 (XINHUA)—The economy of Shantou City is now placed on a steady track, along with the city government's promotion of high-tech and infrastructure facilities, according to Mayor Zhou Rifang.

Last year the local gross domestic product and total industrial and agricultural output value reached 11.6 billion yuan (about 1.33 billion U.S. dollars) and 22.9



billion yuan, respectively, in this coastal special economic zone in south China's Guangdong Province, both doubling the figures for 1990.

The city has set up a special industrial development foundation to foster new and high-tech industries, backbone enterprises and the production of quality products. In the year, it completed 92 scientific and technological promotion projects, which are expected to turn out an added output value of two billion yuan.

With some 10,000 new township, foreign-funded, private and individual enterprises starting business last year, the city's total industrial output exceeded 20 billion yuan, up by 39 percent over the previous year.

As an ancestral home of overseas Chinese, the city approved the setting up of 1,343 foreign-funded enterprises last year involving a total of 1.37 billion U.S. dollars in foreign funds.

With nearly 40 percent of industrial products exported, the city's export volume reached 1.687 billion U.S. dollars last year.

Shantou also boosted three investment areas last year, namely the Shantou Free Trade Zone, the Shantou new and high-tech industrial development zone and the Nanao Island experiment zone.

The high-tech zone introduced 65 projects involving a total investment of 3.1 billion yuan.

The city also put three billion yuan last year into the construction of infrastructure facilities covering airport expansion, docks, railway lines, highways and bridges, electric power, telephones and residential housing.

This year the city plans to put another 5.6 billion yuan into further improving its investment environment, the mayor said.

#### **Zhuhai To Control Migrant Worker Influx**

*HK2302054994 Hong Kong SOUTH CHINA MORNING POST in English 23 Feb 94 p 14*

[By Chan Wai-Fong and agencies]

[Text] Zhuhai has put up a wire fence to prevent migrant workers from pouring into the special economic zone. The so-called second boundary, which separates the booming zone from neighbouring rural counties, is 40 kilometres long and three metres high.

"There have been more migrant workers here than ever before," Zhuhai Mayor Liang Guangda said yesterday. He said more than 75 per cent of the city's crime could be linked to such workers. Last year more than 240,000 migrant workers flooded into Zhuhai, straining the city's limited police department and social services, Mr Liang said.

However, officials in Guangdong province have indicated the influx of workers into the Pearl River Estuary

area has been brought under control. A cadre at the provincial Labour Bureau said yesterday "things are in order" in Guangzhou. The official refused to give an estimate of the size of the influx, but the director of the province's Communications and Transport Bureau, Li Peiwu, said this week the number of job seekers province-wide was about eight per cent less than last year's figure. Congestion on trains had decreased because an increasing number of migrant workers were using special coaches chartered by their employers, he said. Guangdong has reached arrangements with nine other provinces, including Sichuan, Yunnan, Hunan and Henan, since last year to better control the flow of workers from these areas. Workers moving to Guangdong need to hold three types of identification before they can be employed.

The semi-official China News Service reported yesterday that eight people were killed and six injured in a collision between a coach and a car on the busy highway between Guangzhou and the special economic zone of Shantou in southern Guangdong province.

#### **Guangxi Notes Posts, Telecommunications Improvements**

*OW2302071994 Beijing XINHUA in English 0645 GMT 23 Feb 94*

[Text] Nanning, February 23 (XINHUA)—The posts and telecommunications service of southwest China's Guangxi Zhuang Autonomous Region is achieving rapid progress along with the local economic development.

In 1993 the sector's turnover was 780 million yuan (over 90 million U.S. dollars), 70 percent up over the previous year and ranking among the top performers in the country.

Last year the booming economy of Guangxi provided a profitable market for posts and telecommunications.

The business volume of the postal service increased by 22 percent over 1992. International and domestic express mails were up 45.6 percent and 202 percent, respectively, over the previous year.

Postal savings bank deposits amounted to 1.5 billion yuan (nearly 200 million U.S. dollars)-worth by the end of the year.

The business volume of telecommunications services increased by 103 percent, which was 34 percentage points higher than the national average.

In 1993 Guangxi telephone subscribers in urban areas increased by 83,000, bringing the total number to 240,000.

Mobile phone carriers in the region reached 13,000 in 1993, 6.2 times more than in the previous year. The total number is now 15,000.

In 1993 Guangxi invested 1.25 billion yuan in 368 fixed-assets projects for posts and telecommunication, four times more than 1992.

Five optical-fiber cable lines have been put into operation, including ones from the regional capital of Nanning to Guangzhou, Pingxiang and Beihai.

The telephone operation capacity of the region's 46 cities and counties has been upgraded. More lines were added to long-distance telephone exchanges in the regional network.

The region has made efforts to attract foreign funds in developing posts and telecommunication facilities. More than 80 million U.S. dollars in government loans from foreign countries, including Germany, Belgium and Finland, have been used.

It also signed 60 import contracts with Sweden, the United States, the Republic of Korea, Japan and Hong Kong, with the total contract value amounting to 100 million U.S. dollars.

Meanwhile, the region plans to invest two billion yuan this year in over 400 projects, including construction of a 600,000-line program-controlled telephone exchange project, 3,000 km of optical-fiber cable lines, and 60 mobile telephone stations.

#### **Hainan Issues New Regulations on Migrant Workers**

*HK2302091894 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 21 Feb 94*

[Text] On 28 [as heard] February, the provincial personnel and labor department issued a circular on controlling the employment of migrant workers from outside Hainan. To improve management over recruitment of migrant workers, the circular stipulates the following:

First, until the end of March this year, no unit is allowed to recruit new migrant workers from outside the province. In cases where a unit really needs to employ migrant workers, it must report this to the provincial employment service center for approval; if a unit employs migrant workers from outside the province without approval, the provincial labor supervisory organization will, in accordance with the provincial government's Decree No. 4, impose a fine of 2,000 yuan on the employing unit per one migrant worker employed.

Second, the employing unit must register with the local labor department by the end of March for the migrant workers already working in the unit and must obtain approval for migrant workers' entry into Hainan for employment. As of 1 April, all levels of labor supervisory organizations in the province will conduct overall inspections. Migrant workers who do not possess employment approval certificates will be fined according to the regulations.

Third, in accordance with the Document No. 15, issued jointly by the provincial personnel and labor department and the provincial public security department this year, after migrant workers' employment approval certificates come into effect the previous employment approval certificates issued by the provincial personnel and labor department will be revoked on 24 February.

#### **Henan Governor Attends Economic Meeting**

*HK2302112394 Zhengzhou Henan People's Radio Network in Mandarin 1030 GMT 22 Feb 94*

[Text] Yesterday Governor Ma Zhongchen chaired a provincial government executive meeting to analyze the province's economic situation and discuss policies. All departments directly under the provincial authorities were asked to send cadres to grass-roots units to help resolve practical problems. The provincial planning and economic commission, the provincial finance department, the provincial taxation bureau, and the provincial agricultural and animal husbandry department reported to the meeting on industrial production, revenue, and wheat production.

Since the beginning of this year, the province has registered a speedy growth in industrial production, the market has been brisk, and revenue has been better than expected. But there are also some problems, such as unideal economic results of enterprises, an increase in nonoperational enterprises, some localities' failure to issue wages, and wheat production being inferior to last year.

Governor Ma Zhongchen pointed out: There is a need to make great efforts to deepen reform and overcome the above difficulties.

Governor Ma Zhongchen continued: The guiding principle for this year's economic work is to comprehensively carry out the decisions of the 14th CPC National Congress and the Third Plenary Session of the 14th CPC Central Committee and the instructions of the Eighth Plenary Session of the Fifth Provincial Henan CPC Committee, to speed up the establishment of the socialist market economic structure, to seize the opportunity, to deepen reform, to widen the scope of opening up, to promote development, and to maintain stability. In accordance with this guiding principle, an important task facing all levels of government is to thoroughly understand the situation at the grass-roots level, to bring focal points into prominence, and to ensure the implementation of policies. In the field of reform, this year all kinds of reforms will develop simultaneously and break through focal points, with a powerful reform impetus and heavy reform tasks. Now plans and proposals have been worked out for reforms of the enterprise system, the taxation and revenue system, the financial system, the investment system, and the foreign trade system. The most important thing is to seriously implement them. The provincial economic structural reform commission, the provincial planning and economic commission, and other relevant departments should carry out reform



experiments on the establishment of a modern enterprise system in 100 enterprises throughout the province, form several guidance teams to be sent to enterprises to ensure the establishment of a modern enterprise system. The provincial finance department and the provincial taxation bureau should send their office personnel to different cities and prefectures to help with the implementation of the new taxation and financial system, to form a convergence between the new and old taxation systems, and to ensure the fulfillment of taxation and financial tasks. Provincial people's banks and professional banks should send personnel to grass-roots units for investigation and should raise funds through various channels to alleviate fund shortages. Other relevant departments should resolve new problems in reform in light of their specific conditions and promote reform in a down-to-earth manner.

In industrial production, we should seriously implement the instructions of the provincial economic work meeting, meticulously organize all kinds of work, and make coordinated efforts to resolve contradictions in work. It is necessary to uphold the principle of production being guided by market demands, to frequently adjust the product mix, to produce marketable products, and to improve the economic results of industrial products. It is necessary to guide enterprises in such a manner that they pay attention to their internal operation and strengthen management over production and operation. Comprehensive coordination of industrial economic operation should be strengthened so as to gradually form a coordination system and method which correspond with socialist market economic demands. In addition, efforts should be made to make up deficits and increase surpluses and to send personnel to major loss-incurring enterprises to help resolve their problems. In agriculture, localities should strengthen their management over wheat fields. All levels of governments should assign principal leaders to take charge of wheat fields. They should regard wheat field management as the central task in rural work and concentrate human and material resources on this task. It is necessary to resolve the peasants' difficulties in spring farming, to provide material service for combat against drought and plant diseases, as well as for wheat field management and drinking water supply. The departments of electric power, cooking oil, seeds, chemical fertilizers, and finance should also consider the peasants' interests and take the initiative in resolving the peasants' practical problems.

In conclusion, Governor Ma Zhongchen asked leading comrades at all levels to change their work style, to go to grass-roots units and enterprises, to stay among the masses, to go wherever there are difficulties to find out about their demands, to help resolve their problems, and to think out methods to resolve the difficulties in life and arrears of wages for staff members and workers in enterprises which have stopped production.

All vice governors attended and addressed the meeting.

#### **Henan Introduces Financial Structural Reform** *HK2302091794 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 18 Feb 94*

[Text] Financial departments in the province have taken measures to introduce financial structural reform, with the aim of strengthening People's Bank management over financial departments' daily operations, turning the People's Bank into a genuine central bank, and strengthening People's Bank management and supervision over financial work and foreign exchange. [words indistinct] They are seeking ways to turn professional banks into state-owned commercial banks and carrying out an experiment in Zhengzhou this year, after which they will popularize their experience in other parts of the province. They will separate rural credit cooperatives from agricultural banks. On this basis, rural cooperative banks will be built at the county level and above.

Insurance companies will be turned into insurance enterprises. Conditions will be created to build regional and professional insurance organizations and to encourage foreign financial organizations to form branch companies in the province. Competitive financial markets will be further developed under strict management. [words indistinct]

#### **Hubei Secretary Addresses Political Meeting** *HK2302094494 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 18 Feb 94*

[Text] The Hubei Provincial CPC Committee held a political consultation meeting in Wuchang this morning to solicit the views of some well known non-CPC personages on a series of proposed personnel arrangements regarding the forthcoming Second Session of the Seventh Hubei Provincial Chinese People's Political Consultative Conference [CPPCC] Committee.

Provincial party committee Secretary Guan Guangfu attended and delivered a speech at the meeting chaired by Hui Liangyu, provincial party committee deputy secretary and provincial CPPCC committee chairman.

On behalf of the provincial party committee, Comrade Wang Zhongnong, provincial party committee standing committee member, briefed the participants on a series of proposed personnel arrangements concerning the provincial CPPCC committee leadership.

Also attending and speaking at this morning's consultation meeting were provincial CPPCC committee leaders, provincial industry and commerce federation leaders, as well as some well known personalities without party affiliation, including Shen Kechang, Shi Quan, Zeng Zhonglang, Liu Jiankang, Zhou Zibai, Liu Zhong, Xu Guangdu, Liu Zhuqing, Xie Baoshan, Tao Yinyue, Zheng Longfei, Yang Zaikui, Jin Linkong, Luo Jinlian, Chen Liangcai, Cai Shaozhi, Wu Daihua, Tao Jinshi, Li Jishao, Zhang Huimin, Zhou Yunquan, and others.

By developing the spirit of showing utter devotion to each other and sharing honor and disgrace, all participants at the meeting exchanged frank and candid views on the proposed personnel arrangements in accordance with the spirit of the CPC Central Committee and the spirit of the Hubei Provincial CPC Committee. They held unanimously that the Hubei Provincial CPC Committee convening such a consultation meeting is undoubtedly of great significance in uniting all forces that can be united, mobilizing all positive factors that can be mobilized, and successfully furthering all types of work in Hubei.

Secretary Guan Guangfu also delivered a speech in which he explained to the non-CPC personages a series of work arrangements made by the Hubei Provincial CPC Committee for this year, spelt out specific requirements on the forthcoming provincial people's congress session and CPPCC committee session; and also gave an account of some relevant personnel arrangements.

Guan Guangfu said: Since the end of last year, the provincial party committee and people's government have made a series of work arrangements and worked out a number of grand plans for both 1994 and the next few years. The whole province should now strive to arrive at the following unanimous understanding: It is necessary to persist in reform and carry on development in light of Hubei's actual conditions, under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, and in accordance with the spirit of the CPC Central Committee and the spirit of the Hubei Provincial CPC Committee.

Guan Guangfu pointed out: Since Comrade Deng Xiaoping made a series of important speeches during his south China tour last year, Hubei has enjoyed faster economic growth and an excellent momentum in economic growth. Thus, we should make every possible endeavor to safeguard, with one heart and one mind, such an excellent situation; carry on development; maintain the current excellent momentum of economic growth; and open up new vistas for, and successfully further and accelerate, Hubei's economic growth with an eye on further raising Hubei's economic efficiency.

Guan Guangfu noted: In order to maintain an excellent momentum in economic growth, it is imperative to implement to the letter all relevant reform measures and properly handle relations between reform, development, and stability. In order to maintain stability, it is imperative to tackle all new situations and new problems in a timely manner and press ahead with development. Reform and opening up constitute the motive force for development. We should strive to persist in reform and expand opening up this year. I hope that all democratic party members will join hands with us in pushing forward Hubei's reform and opening up.

Speaking of the upcoming provincial people's congress session and CPPCC committee session, Guan Guangfu

asserted: This year, we're going to hold these two important sessions earlier than usual because we need to make work arrangements for this year ahead of schedule. The two upcoming sessions will abide by all the relevant legislative procedures when arranging Hubei's work in 1994. I hope that all the provincial people's congress deputies and CPPCC committee members will be able to conscientiously deliberate and discuss the forthcoming provincial government work report and work hard to turn the upcoming two sessions into two successful sessions marked by solidarity. The provincial CPPCC committee leadership will, as expected, be further perfected, thereby becoming more capable of catering to the growing needs of Hubei's CPPCC work. I hope that all comrades concerned will make concerted and unrestrained efforts to attain this goal.

Wang Qigang and Meng Meihu, provincial CPPCC committee vice chairmen and some others also attended this morning's political consultation meeting.

#### **Hubei Party Committee Holds Rural Work Meeting**

*HK2202143394 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 21 Feb 94*

[Text] The provincial party committee and government today held a meeting for agricultural departmental and bureau chiefs to discuss how to implement Document No. 1 of the provincial party committee and government and how to make a success of this year's rural work so as to reap a good agricultural harvest.

Vice Governor Wang Shengtie presided over the meeting. Jia Zhijie, provincial deputy party secretary and governor made a speech after listening to a report by the relevant departmental chief. He requested that all levels and departments ensure the implementation of this document.

The meeting participants pointed out: There are five good aspects and four difficulties in the province's agricultural production and rural economic situation. [words indistinct]

The participants stressed: It is necessary to promote the province's agricultural and rural work to a new level this year. All localities and departments in charge should continue to deepen reform, promote agricultural production by means of the market mechanism, protect the peasants' initiative with policies, ensure the supply of rural funds and production materials, develop the integration of trade, industry, and agriculture, provide service for agricultural work, display the role of work teams in helping the peasants to become better off, and strengthen grass-roots work.



**Hunan Punishes Officials Involved in Concert Scam***HK2202074094 Beijing CHINA DAILY in English 22 Feb 94 p 3*

[Unattributed report: "Local Party Punishes Officials in Concert Con"]

[Text] The Party has punished two officials for withholding more than 1 million yuan (\$114,942) raised at two concerts to relieve floods which claimed 33 lives and made thousands homeless last year.

Liu Jing was sacked from his post as deputy director of Hunan Province's Economic Research and Information Centre and thrown off the centre's Party committee.

Lan Jun, former manager of the Hunan Southern Commodity Company, was expelled from the Party.

A third official, Zhao Xinseng, a deputy manager with the commodity company, got a severe warning from the Party.

However, an official with the provincial discipline inspection committee said yesterday they were unlikely to face criminal charges.

Liu was secretary general of the committee organizing the '93 Flood and Disaster Relief Concerts held in Changsha, on last July 13 and 14 which were sponsored by Liu's centre, the commodity company and Hunan Economic News.

They were set up after horrific floods took a terrible toll of lives and property throughout the province last summer.

The concerts starred Hong Kong pop singers Sally Yeh and George Lam Chi-cheong.

However, newspaper reports said Liu and Lan, together with several of their employees, violated culture management rules by setting up what were actually commercial concerts and selling them as charity events. They drove the price of a pair of tickets as high as 880 yuan (\$101) then persuaded various units to buy them.

The concerts made 1,384,000 yuan (\$159,080).

However, Liu and Lan failed to hand 1,150,000 yuan (\$132,000) over to the provincial Civil Affairs Bureau as they had promised in contracts.

For the commodity company had previously paid 2,290,000 yuan (\$263,218), 68 percent of which came from bank loans, to a Hong Kong company to organize the pop stars performances.

The sum was well above the concerts' profits and the local government was left to make up the difference.

The provincial Auditing Bureau has extracted 810,000 yuan (\$93,103) from the Economic Research Centre's

account to pay the provincial Civil Affairs Bureau. But another 340,000 yuan (\$39,080) has still to be recovered.

Since the events, the central government has decided to tighten regulations governing charity performances.

**Southwest Region****Guizhou Builds Up Transportation Network***OW2202083494 Beijing XINHUA in English 0749 GMT 22 Feb 94*

[Text] Guiyang, February 22 (XINHUA)—Mountainous Guizhou Province, in south-west China, has made huge strides in building up a comprehensive land and air transport network.

Yang Shouyue, director of the transportation department of Guizhou Province, said that it will have established a full transport network connecting other parts of the country by the end of this century.

The length of highways in service in the province had reached 32,100 kilometers by the end of 1993, and railways had risen to 1,481 kilometers.

The province is top of the league in China in terms of railway electrification, in part thanks to the completion of electrification of railroads in the province coming from Sichuan, Yunnan and Hunan Provinces.

Local air companies have opened 30 domestic services and a direct charter flight from Guiyang to Hong Kong.

The development of transport has spurred the booming of other industries.

The gross product of Guizhou Province increased at an average annual rate of nine percent between 1980 and 1993.

Rich in natural and tourist resources, Guizhou has verified reserves of 74 different minerals, 29 of which rank in the top five in China.

Located on the Yunnan-Guizhou Plateau, with complex geographic conditions, Guizhou's economic and social progress had been hindered by its poor transportation facilities.

A survey shows that the province had only 1,950 kilometers of roads and highways when New China was founded in 1949, and even sparser railway, water-borne and air transport facilities.

The government has made great efforts to improve transport facilities since 1949, especially since 1978 when China began its national reform and opening-up policy.

Investment in road-building during the past 15 years topped 1.5 billion yuan, 7.5 times the total in the previous 30 years.

In addition to the 8,000 kilometers of highways built during the past few years, construction of an international airport, three highways and four rail lines are under way in the province.

#### **Sichuan Official Sets Judicial Tasks**

*HK2302092294 Chengdu Sichuan People's Radio  
Network in Mandarin 2300 GMT 22 Feb 94*

[Text] The provincial party committee held a provincial judicial work meeting in Chengdu yesterday. At the meeting, Song Baorui, deputy secretary of the provincial party committee and secretary of the provincial political science and law commission, summed up last year's judicial work and set the tasks for the judicial front this year. Reporter Li Xue reports:

[Begin Li Report] In 1993, all levels of judicial institutions throughout the province conducted struggles against serious crime and examined and handled major corruption and bribery cases. According to statistics, a total of 120,000 criminal cases were cracked in the province last year; more than 50,000 criminals were arrested; more than 40,000 criminals were sentenced to prison terms; some 4,000 criminal cases were put on file for investigation; and economic losses of more than 100 million yuan was recovered. In the past year, all localities have paid close attention to exercising comprehensive management over social order.

Song Baorui pointed out at the meeting and the province's main tasks in this year's judicial work is to further strengthen legal service for the socialist market economy; promote the development of reform, opening up, and the market economy; resolutely curb sabotage and criminal activities by hostile forces; preserve political stability and social tranquility; and to ensure the smooth carrying out of reform, opening up, and modernization.

Song Baorui requested all people on the judicial front in the province to do a good job this year in maintaining stability, in implementing a severe crackdown, in combating corruption and bribery, and in exercising comprehensive management over social order. [end recording]

#### **Sichuan Reports Statistics on Industrial Production**

*HK1802135294 Chengdu Sichuan People's Radio  
Network in Mandarin 1100 GMT 17 Feb 94*

[Text] Facing a good macroeconomic environment at the beginning of this year, the province's industry began to develop rapidly. By the end of January, the gross output value of industrial enterprises at the township level and above totaled 23.8 billion yuan, an increase of 27 percent over the same period last year. Their industrial marketing value amounted to 12.5 billion yuan, an increase of 21 percent over the same period of last year, and their production and marketing rate was 90.34 percent. In January, industrial development was characterized by five aspects: 1) Heavy industrial development was good,

and light industry saw a turn for the better; 2) all kinds of ownership developed rapidly; 3) large, medium, and small industrial enterprises basically materialized [words indistinct]; 4) most of the major industrial products direct accounted for by the province continued to increase; and 5) the production of some industrial products in the province accelerated, particularly the production of regional industrial products.

In January, of the 23 prefectures and cities in the province, the number of those which registered a decrease in industrial production reduced by six as compared with the same period of last year. Today, apart from Guangyuan and Aba, which has registered a decrease in industrial production, the industrial production in other areas is optimistic. For example, Chengdu's industrial production has increased by 37 percent and Panzhihua's by 29.57 percent.

In addition, the increase in sales of industrial products in all parts of the province have remained commensurate with the growth of their industrial production.

#### **Sichuan's Chongqing Develops Land Market**

*HK2102144394 Beijing ZHONGGUO XINWEN SHE  
in English 0837 GMT 21 Feb 94*

[Text] Chongqing, February 21 (CNS)—According to the Director of the Chongqing Municipal Land Administration, Mr Gao Qun, Chongqing, an industrial city in Sichuan Province, has in recent years greatly promoted reform of its land utilization system with the land market developing at a considerable scale.

The real estate has become a newly rising industry in Chongqing, attracting a large number of domestic and foreign investors to enter into this sector. The municipal government on the one hand has implemented a number of favourable policies to stimulate and support the development of this industry and on the other hand, prevented and stopped the speculative activities in this sector through adopting effective measures with the aim of enabling the real estate market to operate in a normal way and on a standardized basis.

Mr. Gao said that the city had seen an increasing range of development for the transferring of land utilization rights and the utilization rights of land for business purposes had been transferred on the basis of payment and limited terms of utilization. Last year saw 111 pieces of land transferred with payment with a total area of 1.47 million square metres and to date, there have been 227 pieces of land transferred in the city with a total area of 5.08 million square metres, earning RMB 1.3 billion (renminbi).

The city has at the same time based the work of transferring and leasing of land utilization rights on legislation with the management over this business strengthened and the income recovered from land transferred in



illegal ways in the past gradually bringing in to the government RMB 30 million collected in this way in the past two years.

In addition, the city has tightened its administration over the sites of the three type foreign-funded enterprises there with such places being used by these entities brought under control in an overall way with some 196 foreign-funded enterprises now having signed contracts with the city authorities on the utilization of their sites.

#### **Tibet Celebrates Buddhist Service Moinlam Qenmo**

*OW1802163094 Beijing XINHUA in English 1608 GMT 18 Feb 94*

[Text] Lhasa, February 18 (XINHUA)—All temples in Tibet today started the annual Buddhist service of Moinlam Qenmo, the biggest religious festival in Tibet.

Today is January 8 in the Tibetan Lunar Calendar.

Hundreds of thousands of people from the urban Lhasa and its outskirts came by foot, taxi or tractors to monasteries such as Zhebung, Gandain, Sera and Jokhang to give alms and pray.

At the Zhebung Monastery, over 500 monks sat in the hall of the temple to recite the Buddhist sutra. There were huge crowds of Buddhists, many of whom went among the monks to give them money as alms.

A worker from the Tibetan autonomous regional oil company gave the monks a huge sum of money and told XINHUA that he came with two wishes: namely a wish for good luck for all the members of his family and a wish for God's protection of the soul of his late father.

Leading members of various departments of the Tibetan autonomous regional government also went to the temples to prepare food for the lama monks and the Buddhists. The regional government allocated a total of 150,000 yuan for the event, according to a government official.

Moinlam Qenmo, meaning summons ceremony, dates back to 1409, the year Tsong Kapa, founder of the Yellow Sect of Tibetan Lamaism, sponsored the first such event. The Buddhist service will reach its peak in a week's time, on January 15 of the Tibetan calendar.

#### **Yunnan Develops Animal Husbandry**

*HK2202093894 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 19 Feb 94*

[Text] Yunnan Province's animal husbandry has developed to a certain scale. Now there are more than 60,000 households specialized in animal husbandry, of which 44,000 households each can produce more than 10 head of cattle annually. Last year the province's total output value for animal husbandry amounted to 6.6 billion yuan, a major industry, second only to the planting of crops.

In the last few years, price increases in animal husbandry products, as well as market demand, have encouraged peasants to develop animal husbandry. They have broken away from old conventions, expanded the breeding scale, reduced production costs, and improved product quality. Governments at all levels also have formulated preferential policies and measures, built a large number of animal husbandry production bases, and provided priority treatment for specialized households, thus creating conditions for the development of animal husbandry.

Animal husbandry scientific and technological departments have exercised an economic contract responsibility system and other methods. In the rural areas, they have introduced good breeds of livestock, mixed fodder, medical treatment, and preventive medicine. They have introduced a fine breed of pigs to pig breeding bases, as well as grass planting methods and refined fodder to mountainous areas, thus increasing livestock production and improving economic results.

### **North Region**

#### **Reportage on Activities of Beijing Secretary**

##### **Visits Mountain Villages**

*SK2202113894 Beijing BEIJING RIBAO in Chinese 29 Jan 94 p 1*

["Chen Xitong, secretary of the Beijing Municipal CPC Committee, Continues His Investigations in Mountain Areas"]

[Text] On 21 January, Chen Xitong, secretary of the municipal party committee; and Yang Chaoshi and Duan Bingren, members of the Standing Committee of the municipal party committee, went deep to Shidu Town and Jiudu Village of Fangshan District to understand the local situation, called on veteran party members and several specialized households engaged in breeding industry, and also inspected the kiwi production bases in Xibaidai Village of Zhangfang Town.

On 25 January, Chen Xitong and his party went to Mengtougou District and met with the newly elected district party committee standing committee members. They also went to Sanggu Village of Junxiang Township, an old revolutionary area, to understand the situation and called on the veteran party members who had joined the early stage of revolution and some households with difficulties.

These two districts have shared the common characteristics as follows: Emancipate the mind; proceed from reality; base on the local natural resources; develop, on a large scale, economic forests and building materials; and quicken the pace of seeking wealth and stepping toward the target of becoming fairly well-off.

Song Xiyou, newly elected secretary of the Mengtougou District Party Committee, said: The newly elected members of the leading body are at an average age of 43.5 years. The youngest standing committee member is only 29 years old. Thus, the leading body is basically "installed in the shape of ladder." Except that only one person is graduated from the secondary specialized school, the rest have an educational level of university or higher. It can be said that the new leading body is full of vitality, is able to realize the target of becoming fairly well-off, and enjoys the support of the broad masses of party members and veteran cadres. We maintain that this is a strategic measure for strengthening the building of leading bodies. Song Xiyou also reported on the district's strategic idea for becoming fairly well-off in 1997 and the plan for relying on the natural resources of the mountain areas to build Shilong small industrial zone and five major bases engaged in the production of building materials, coal, and fruit products and the development of tourist trade. He said: Practice showed that it is accurate to persist in the new ideas of "relying on the mountain areas to making a living, going out of the mountain areas to build mountain areas, entering markets to seek wealth, and make the mountain areas wealthy by opening to the outside world and development; and it is right to persist in the work methods of conducting investigations and study on a large scale and proceeding from reality. Mengtougou, a district with mountains, changes itself from "having no ways to make development" into "having methods to make development" because it has persisted in the accurate development ideas and work methods.

Chen Xitong congratulated Mengtougou District on the successful convocation of the party congress, praised that representatives of party members and veteran cadres have strategic foresight to support the election of younger leading body members, and fully affirmed the district's strategic ideas of conducting investigations and study, proceeding from reality, and becoming fairly well-off ahead of schedule. He stressed: The new leading body's tasks are to work under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, to conscientiously implement the guidelines of the Third Plenary Session of the 14th Party Central Committee, to work in line with the work guiding principles of the municipal party committee and the municipal government and in reliance on the district's party members and people, to proceed from the reality of the mountain areas, and to make the work be submitted to and serve the target of quickening the pace of becoming wealthy and the target of becoming fairly well-off.

On the basis of the local natural resources, Fangshan District with rich natural resources has vigorously developed the fruit tree planting industry, the household-based breeding industry, and the tourist trade. So, the peasants in the district start to take on the path of seeking wealth. Last year, the total product of the district reached 7.9 billion yuan, an increase of 60 percent over

1992. This year, this district further eliminated the thinking of small-scale development; set forth, according to the local actual conditions, a plan for building a 10,000-mu kiwi production garden, a 10,000-mu apricot production garden, a 10,000-mu Chinese toon production garden, and a 10,000-mu chestnut production garden; and also started to implement the plan. So far, Xibaidai Village of Zhangfang Town has sown kiwis on 1,000 mu of land and has a good marketing prospect. Jiudu Village has also gained benefits from developing the breeding industry. Of 160 households, 130 households are engaged in the breeding of coypus. Last year, the village's revenues netted 800,000 yuan and the village's savings deposits increased by a big margin.

Chen Xitong fully affirmed Fangshan District's practice of emancipating the mind, using the local advantages to develop the economy, and guiding the peasants to step toward the target of becoming fairly well-off. He especially pointed out that in the past, the mountains and rivers in Shidu scenic spot were of no use; but now, the people there have emancipated the mind, opened the mountain areas to the outside world, and thought out methods. With these methods, the mountains and rivers have been changed into wealth.

When calling on veteran party members and households with difficulties, Chen Xitong urged again and again that districts and villages should give more concerns and support to them and have them experience the concerns of the party and the warmth of the socialist society. He especially praised Mengtougou District and the townships and villages of the district for giving monthly living subsidies to veteran party members and giving temporary and special subsidies to those with difficulties. He also told the cadres that the old revolutionary areas have many old party members, fighters, and comrades. They made sacrifice and contributions to the revolution. We must never forget them. So, we should do more good and concrete deeds for them and have them spend a good Spring Festival. In Jiudu Village of Fangshan District, Chen Xitong especially urged that the comrades in the district should help Veteran Party Member Liu Xianfu and help cure his eye diseases. It was informed that the No. 1 hospital of the district has diagnosed his illness and worked out a treatment program for him.

#### Meets 'Outstanding' Party Members

SK2102080594 Beijing BEIJING RIBAO in Chinese 30 Jan 94 p 1

[By reporter Cao Jianguo (2580 1696 0948) and correspondent Li Xinnian (2621 2450 1628): "Leaders of the Beijing Municipal CPC Committee Talk With 10 Outstanding Communist Party Members"]

[Excerpts] A few days ago, Chen Xitong, secretary of the municipal party committee; and Chen Guangwen, deputy secretary of the municipal party committee, invited the municipality's 10 outstanding communist party members to a forum to carefully listen to their



opinions and suggestions and to discuss with them the great matters of how to strengthen and improve party building in the course of developing the socialist market economy and of how to promote reform and development. [passage omitted]

At the forum, in line with their working, ideological, and social reality, the 10 outstanding communist party members set forth their opinions and suggestions on bringing into play the communist party members' exemplary role in the new situation, strengthening the party organizational work, improving spiritual civilization, strengthening the ideological and educational work, and fostering an accurate world outlook and an accurate outlook on life.

Chen Xitong conscientiously heard their speeches and noted down their opinions and suggestions. He said: You are representatives of Beijing's outstanding communist party members. The selection of 10 outstanding communist party members from among one million members is a great matter of Beijing. By disseminating the excellent deeds of the 10 outstanding party members, we have educated the party members and promoted party building. So, we should also continue to disseminate the advanced thinking and deeds of the 10 outstanding party members; the lofty ideals, sentiment, and morality of communist party members; an accurate world outlook; and an accurate outlook on life so as to further foster a new brilliant image for communist party members.

Chen Xitong said: Today, we invite you to this forum to mainly discuss the great matter of strengthening party building in the new situation and the great matter of promoting reform and development. Your opinions are conducive to the work of the municipal party committee and the improvement and enhancement of party building. While talking about the building of party grass-roots branches, some comrades maintained that the party is likened to a big tree and the grass-roots party organizations are likened to the root of the tree. So long as the grass-roots organizations are well built will the party have powerful vitality and combat effectiveness. This opinion is very good. We should realistically strengthen the building of grass-roots party organizations, including those in such new spheres as high scientific and technological units and three types of foreign-funded enterprises; and bring into better play the functions of grass-roots party organizations. After election of new leading bodies, the districts and counties in the municipality should strengthen the building of grass-roots party organizations, particularly backward party branches.

Chen Xitong said: Under the present situation that the planned economic system is being replaced by the socialist market economic system, we should continue to persist in the principle of "taking a two-hand approach and being sure that both hands are tough," further upgrade our understanding, adopt effective measures, strengthen the improvement of spiritual civilization, and strengthen the ideological education. We should adopt

various forms, that the masses are likely to see and hear, to strengthen the ideological and political work. It is necessary to disseminate an accurate world outlook and an accurate outlook on life. We should learn from the 10 outstanding communist party members, foster a great lofty ideal, give no thoughts to personal gains and losses, persistently serve the people wholeheartedly, and fight for making the country strong and building socialism with Chinese characteristics.

Chen Xitong urged that in the new year, the 10 outstanding communist party members should do their jobs well, bring the communist party members' exemplary role into play, and make new progress in various spheres.

Chen Guangwen praised that the 10 outstanding communist party members are the banners and models of the municipal party member contingent. He urged that the 10 outstanding communist party members should cherish their glory, accept trials, set more strict demands on themselves, bring their exemplary vanguard role into better play, and make greater contributions to the setup of the socialist market economic system and the improvement of the spiritual and material civilizations.

#### Attends University Leaders Meeting

SK2302065294 Beijing BEIJING RIBAO in Chinese 4  
Feb 94 p 1

[By reporter Mao Jing (3029 0079): "Beijing Holds Meeting of Leading Cadres of Institutions of Higher Learning"]

[Excerpts] The municipal meeting of leading cadres of institutions of higher learning concluded on 3 February. The meeting set forth that in 1994 the institutions of higher learning should emancipate the mind, firmly grasp favorable opportunities, accelerate the pace of reform, make positive development, and maintain stability. This year, the institutions of higher learning in the municipality should comprehensively carry out reform; make a breakthrough in cooperatively running schools, developing higher vocational and technical education, reforming the enrollment and employment systems, and socializing the reserve service work; and further strengthen and improve party building and the ideological and political work.

Li Lanqing, vice premier of the State Council, was present at the meeting. He extended Spring Festival greetings to all teaching and administrative staff members of the institutions of higher learning in the municipality. He said: The Beijing Municipal party committee and government have paid high attention to the educational work and have also completed a lot of concrete deeds. I express my heartfelt thanks to them. In regard to the development of moral education, he said that we should strengthen the reform and improvement of the classes on Marxist theory and particularly study Comrade Mao Zedong's several philosophic works and Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. It is necessary to strengthen

education on patriotism, socialism, collectivism, modern history, and contemporary history. In the course of conducting education on the national situation, we should stress education on the current situation. It is necessary to conduct education on the traditional virtues of China, moral education, and education on the legal system.

Chen Xitong, secretary of the municipal party committee, stressed that the institutions of higher learning should strengthen party building and ideological and political work. He said: Institutions of higher learning should rely on the leadership of the party to achieve their work. Only when party building is strengthened will we be able to strengthen the work of teachers and students and to overcome the situation of firmly grasping one aspect while neglecting the other. Although the construction of spiritual civilization is strengthened, we have not done enough in this regard. It is dangerous if we do not continue to strengthen the construction of spiritual civilization. We should particularly strengthen the leadership of the party. Universities and colleges should strengthen the construction of the leading bodies at various levels and ideological and theoretical work. We will possibly come across many difficulties in the course of strengthening party building and ideological and political work. The municipal party committee and the municipal government will continue to award the institutions of higher learning advanced in party building and ideological and political work and continue to help institutions of higher learning eliminate difficulties. Chen Xitong also extend festive greetings to the teaching and administrative staff of the institutions of higher learning in the municipality. [passage omitted]

Li Zhijian, deputy secretary of the municipal party committee, chaired and addressed the meeting. Zhang Xiaowen, vice minister of the state education commission, introduced the participants to the reform situation of the institutions of higher learning in the country. Hu Zhaoguang, vice mayor of the municipality, introduced the municipality's general ideas for the development and reform of higher education and declared the municipal party committee and government's preparations for doing concrete deeds for the development and reform of higher education. On behalf of the educational work committee of the municipal party committee and the municipal higher education bureau, Chen Dabai, vice chairman of the municipal committee of the Chinese People's Political Consultative Conference, made a speech at the meeting. Sun Yongfu, vice minister at the Ministry of Railways; and Tao Xiping, vice chairman of the municipal people's congress standing committee, were also present at the meeting. During the meeting, the leading cadres of the institutions of higher learning also visited Tongxian County, one of the country's 100 economically powerful counties, to understand the rural economic reform and development situation.

**Beijing Municipal Congress Reshuffles Personnel**  
*SK2302065894 Beijing BEIJING RIBAO in Chinese 3 Feb 94 p 1*

[Text] On 14 January 1994 the Eighth Standing Committee Meeting of the 10th Municipal People's Congress adopted the decision on personnel appointments and removals. The decision reads as follows:

Lan Tianzhu [5663 1131 2691] is appointed chairman of the cultural and educational office under the municipal people's government; Wang Jiping [3769 4764 1627], director of the municipal industrial and commercial administrative bureau; and Li Guangrong [2621 0342 2837], director of the municipal environmental and public health administrative bureau. Han Zhijia is removed from the post of director of the municipal environmental and public health administrative bureau. Liu Guomao [0491 0948 5399] is appointed as vice president of the municipal intermediate people's court. Wang Jing is removed from the post of vice president of the municipal intermediate people's court and as a member and a judge of the judicial committee.

**Number of Workers Pouring Into Beijing Increases**

*HK2302100094 Beijing ZHONGGUO XINWEN SHE in English 0806 GMT 23 Feb 94*

[Text] Beijing, February 23 (CNS)—The total number of labourers pouring into Beijing from elsewhere in the country is close to one million and Beijing Railway Station is seeing 60,000 to 70,000 of them arriving from all directions every day in recent times, according to the municipal public security bureau.

As long ago as 1986, a large number of labourers from 25 provinces and cities in China began pouring into the capital in search of work in such industries as construction, environmental work and coal. Of the 1.5 million [figure as received] labourers coming from elsewhere, nearly one million of them live in the capital on a more or less permanent basis. Some 800,000 of them are engaged in various kinds of economic activities with 300,000 of them working in construction on such projects as the construction of buildings, 81 flyovers and 3,000 kilometres of roads. Such labourers from outside the capital are also engaged in production, processing and repair services.

Apart from those engaged in the urban area, there are yet another 200,000 of them in the suburban areas engaged in agriculture, hand-finished products and domestic service.

**Hebei Secretary Listens to Anticorruption Briefings**

*SK2302083494 Shijiazhuang HEBEI RIBAO in Chinese 31 Jan 94 p 1*

[Text] At present, the situation of honesty among party members and cadres has been greatly improved and the



condition is better than that of the previous years. On 29 January, after listening to briefings given by the provincial Discipline Inspection Commission and relevant departments on keeping themselves honest and clean during the Spring Festival and on consolidating the achievements in anticorruption struggle, Cheng Weigao, secretary of the provincial party committee, pointed out: Although expected achievements have been made in the anticorruption struggle, we still need to do lots of work to consolidate and develop this hard-earned achievements. Although some passive and corrupt phenomena and unhealthy trends have been screened and straightened out, they will reappear if we slightly slacken our efforts in this aspect. Particularly, the unhealthy trends of using public funds to entertain guests and send gifts, giving money or coupons as gifts, and arbitrarily issuing bonuses or articles will occur very easily during the Spring Festival period. Party committees and governments at all levels must never lower their guard.

Li Zhanshu, member of the standing committee of the provincial party committee and secretary general, also listened to the briefings.

Cheng Weigao stressed: This year is for carrying out package reform with breakthroughs in key areas, and all reform tasks will be very complicated and heavy. If leading cadres at all levels can keep themselves honest and clean, maintain close ties with the masses, and have profound affection towards the masses, all reform measures that issued will be supported by the masses, and the problems that appeared will be easily solved, the political situation will be stable, and reform will be smoothly carried out. Party committees and governments at all levels should always attend to the work of combating corruption and maintaining honesty and grasp it as a political task. Currently, it is necessary to attend to honesty work during the Spring Festival period.

Cheng Weigao reaffirmed: Leading cadres at all levels should strictly implement the five stipulations of the party Central Committee on keeping clean and self-disciplined and the "10 prohibitions" proposed by the provincial party committee. During the Spring Festival period, all localities, departments, and units are not allowed to send native or special products, purchasing certificates, money or all sorts of gifts to the higher organs or leading cadres; higher organs or leading cadres should decline the offer of gifts or money from the lower levels, and should not ask for gifts from them. All units are not allowed to use public funds for lavish dining and wining or to engage in extravagance and waste; and during the Spring Festival period, all tea parties, receptions, forums, and gatherings must be held in frugal way. All localities, departments, and units must not violate the stipulations and issue bonuses, subsidies, purchasing certificates, and articles under any pretext or forms. All people are not permitted to use public funds for holding recreation activities that spend lots of money. Appropriate entertainments may be held during the festive period, but we must guard against the appearance of

unhealthy influence. Party members and cadres, particularly the leading cadres, should not be allowed to participate in any kind of gambling, to engage in feudal or superstitious activities, or to drink excessively.

Cheng Weigao called on leading cadres at all levels to set examples with their own conduct, take the lead in maintaining honesty, realistically attend to the honest administration of their respective localities, departments, and units during the festive period, establish the responsibility system, and enable one level to take charge of the work of the next level and assume responsibility. If serious problems emerge in a locality, a department, or a unit, we should first pursue the responsibility of the principal leading cadres.

Cheng Weigao said in conclusion: Even though the demands we have set forth are very clear and definite, some cadres who are unaware of them will still engage in unhealthy practice because the legal system is not perfect and there are loopholes in management. The discipline inspection and supervision departments at all levels should strengthen supervision and inspection, immediately organize strength to investigate the problems reported by the masses and the problems discovered, and deal with them strictly in a timely manner.

#### Inner Mongolia Vice Chairman Views Planning Work

SK2302083894 Hohhot NEIMENGGU RIBAO in Chinese 28 Jan 94 p 1

[By reporter Zhang Zhedong (1728 0772 2767): "Strengthen Macroeconomic Control, and Deepen Structural Reform"]

[Text] We should accelerate and deepen the reform of planning and investment systems, positively and steadily press forward the reform of pricing system, and strengthen and improve the macroeconomic control. This is the central topic of the regional planning work conference held on 26 January. Qian Fenyong, Liu Zhen, and Song Zhimin attended the conference. Song Zhimin, vice chairman of the region, made a speech at the conference, urging for efforts to appropriately handle the relations in the following five aspects in terms of macroeconomic control.

The relations among reform, development, and stability. Development constitutes the foundation of social stability, reform instills vitality to development, and only by maintaining a stable social environment can we concentrate our energy on pressing forward reform, opening up, and economic development. When making arrangements for economic work, all leagues, cities, and departments should pay attention to the linking of the relations between reform and stability and relations between reform and development.

The relations between speed and efficiency. The rapid development of the economy must be founded on the basis of having a good sale and efficiency and being

permitted by financial and material resources. Both when initiating new projects and renovating old enterprises, we should give top priority to good market and efficiency. If successfully transformed, the natural resources advantages may be turned into economic advantages; and if poorly transformed, the natural resources advantages may become burdens. In addition, we should also correctly handle the relations between the newly initiated projects and the endeavor of tapping the potential of existing projects. We should pay attention to the major projects that exert great influence on economic development, and should, moreover, pay attention to the projects that consume less investment, need short construction period, and yield quick results. This year, the capital construction investment can only be made in the projects that are at the winding-up stage and will soon be put into production in the right order of importance and urgency.

The relations between the whole and the part. The enhancement of the macroeconomic control capacity of the state is conducive to the minority nationalities areas in the region, and, similarly, the enhancement of the macroeconomic control capacity of our region is also conducive to various leagues, cities, banners, and counties. Therefore, we hope that all localities and all departments will take the overall situation into account and will subject themselves to the overall situation when their partial interests are contradictory to the overall interest.

The relations between economic development and social development. In the course of accelerating the region's economic development, we must make overall arrangements for and give all-round consideration to the development of such social undertakings as education, culture, and social security.

The relations between economic construction and people's livelihood. On the basis of developing the economy and increasing labor productivity, we should continuously increase the income of urban and rural residents. This is the only way to better mobilize the initiative of the numerous people in production, to reinforce the unity among the people of all nationalities, to enhance the cohesive force to develop the economy, and to effect an even faster and better development of the economy. In particular, we should show concern for the lives of the masses in the localities and units that have difficulties and should work out methods to solve problems for them.

Song Zhimin stressed: We should re-fix the position of planning work, readjust functions of planning work, shift work priorities, improve planning forms and methods, and enable planning work to play an even important, positive, and effective role. First, we should actually attend to the reform of planning and investment structures. We should shift, as quickly as possible, the plan management functions to researching strategies, formulating plans, exercising macroeconomic control, maintaining the aggregate economic balance, working out

industrial policies, cultivating markets, building key projects, and giving coordinated service. With market as the foundation, we should give full play to the fundamental role of the market in allocating natural resources, strengthen the research and comprehensive coordination of the macroeconomic policies, give full play to the important role of the planning means in the macroeconomic control, emancipate the mind to broaden the field of vision, positively pioneer the new sphere of the planning work that is commensurate with the development of market economy, and establish scientific planning system. Second, we should rapidly draw up the medium- and long-term plan for development of the region in line with the regional party committee's strategic demand for "joining the country's forefront." This year, planning commissions at all levels, together with departments concerned, should concentrate their energy on researching and drawing up the Ninth Five-Year Plan, the medium- and long-term plan for the region's economic and social development in 2010, the plan for making the people relatively better-off, the plan for supporting and developing the poor areas, the plan on development of guiding industries, the plan on development of regional economy, and the plan on conservation of national territories. Third, we should pay attention to the work concerning the aggregate economic balance. We should emphatically arrange for the production and supply of means of agricultural production, for the linking of the growing scale of major cash crops with the production ability of light industrial enterprises, and for the balance between railway transportation and power supply capacities and the demands of the production of various trades. Fourth, we should successfully control and guide the key links of economic development and make good pre-phase preparations for major projects in order to promote the smooth construction of key projects.

**Inner Mongolia Defines 1994 Financial Work**  
*SK2302025294 Hohhot NEIMENGGU RIBAO in Chinese 28 Jan 94 p 1*

[By reporters De Bin (1795 2430) and Jian Jun (1696 6511) and Correspondent Wei Manchang (7279 3341 2490): "Inner Mongolia Defines Principles for Guiding 1994 Financial Work"]

[Text] "Deepen reform of the financial system, intensify supervision over financial work, and further improve efficiency in using and managing capital." This is the general principle for guiding the 1994 financial work as set forth at the regional financial work conference on 27 January. Qian Fenyong and Song Zhimin, leaders of the region, attended the conference. Song Zhimin gave a speech at the conference.

According to the financial work principles as set forth at the national financial work conference and in line with actual regional conditions, the regional financial department should carry out its work in line with the following work priorities:



Strictly control aggregate credits. The state-owned commercial banks should engage in the management of the proportions of assets and liabilities according to the amounts of loans, control the targets for the management of the proportions of liabilities, and check on legal persons, that are mainly regarded as a unit. Policy-lending banks should strictly handle the defined policy-lending business. In regard to the management of credits, the policy-lending banks should carry out the principle of "planned management, credits for fixed targets, management on the premise of maintenance of capital, and self-balance;" and grant loans according to the state-fixed targets. Except for the temporary use of capital, the central bank must not offer funds. It is necessary to cut the relationship between policy-lending loans and the basic currency of the central bank, carry out the management of the proportions of assets and liabilities among the non-banking financial organizations according to different actual conditions, continue to strictly control the aggregate foreign exchange loans, and simultaneously readjust the proportions of the foreign exchange structure and the property structure.

Try every possible means to increase bank savings and strive to expand credit resources. All banks and urban and rural credit cooperatives should continue to adopt various kinds of positive measures to organize and assimilate bank savings, strive to increase both urban and rural savings deposits over 1993, and increase at least 5 billion yuan of savings deposits this year. The situation that enterprises registered a negative increase in savings deposits should be changed. We should exert efforts to improve service to assimilate savings deposit but must not adopt the improper means, such as wantonly and perfunctorily raising interest rates to attract savings deposits. Various levels of people's banks and specialized banks should strengthen the management and examination of interest rates. Those violating regulations governing the management of interest rates should sternly be investigated and handled. At the time of firmly organizing forces to increase savings deposits, we should exert great efforts to flexibly use existing credits and increase usable capital.

Optimize the structure of loans and ensure the supply of capital for key items. When assimilating savings deposits and flexibly using existing capital, we should use the newly increased portion of loans to meet the needs of key projects for the region's economic development. We should positively support agricultural and livestock production, ensure the supply of funds for purchasing farm and livestock products, and positively support the development of energy resources and transportation service and the production of major raw materials for industrial use. It is necessary to support the supply of funds for state key construction projects; the development of high value-added products, readily marketable products, and the industries and products with high capability to create foreign exchange; the supply of the funds for the state-owned large and medium-sized enterprises with good economic results and the foreign export trade enterprises; and the implementation of the support-the-poor

plan in the Eighth Five-Year Plan period. Enterprises should be guided to enter markets and join competition. We should concentrate funds and select a group of town and township enterprises and key projects to accelerate their technological transformation. To ensure the fulfillment of the above targets, we should continue to carry out the principle of supporting the good, controlling the bad, and having both guarantee and control.

Continuously consolidate the financial order and realistically strengthen supervision and control over financial work. Last year, the region made positive achievements in straightening out financial order. On the basis of the achievements made last year, this year, we should continue to expand achievements. It is necessary to continuously implement the regulations on consolidating financial order as stipulated last year. It is necessary to resolutely ferret out inter-bank loans that were granted in violation of regulations. Loans that cannot be withdrawn should clearly be investigated and the responsible persons should be called to account. Economic entities run by the banks themselves should be separated from the banks. Under the unified leadership of the local party committees and governments, the people's banks at various levels should conscientiously and resolutely eliminate the problems of arbitrarily collecting funds.

Positively support enterprises to transform the managerial mechanisms and to conscientiously return the credits to the banks. The financial departments should adopt a positive attitude to help enterprises change their managerial mechanisms and engage in reform and also pay attention to analyzing and grasping the new situation and new problems cropping up in the course of replacing the old system with the new in an effort to avoid losing state credits and assets.

Strictly control loans for fixed assets. It is necessary to continuously carry out mandatory plans for granting loans for fixed assets. No one is allowed to grant loans for fixed assets without approvals. People's banks at various levels should strengthen the examination and auditing of loans for fixed assets. Banking units and leaders of units that violate policies should be called to account.

**Tianjin Secretary Inspects Steel Product Market**  
*SK2302055894 Tianjin People's Radio in Mandarin*  
*2300 GMT 22 Feb 94*

[Text] On the morning of 22 February, Gao Dezhan, secretary of the municipal party committee, inspected (Baiyang) Tianjin Steel Product Wholesale Market to conduct investigation and study for accelerating the cultivation and development of Tianjin's market system. Comrade Gao Dezhan stressed: We should exert great efforts in accelerating the cultivation and development of the market system, and build, through endeavors in this and the next few years, 10 commodity and key elements markets that are influential in northern China and even all over the country in Tianjin in order to make Tianjin truly become the commercial, trading, and banking center of northern China.

Together with Zheng Zhiying, standing committee member and secretary general of the municipal party committee, and with responsible persons of pertinent departments, commissions, and bureaus under the municipal party committee and the municipal government, Gao Dezhan inspected the situation of wholesales at spot prices and the national spot market network of this wholesale market. Gao Dezhan spoke highly of the work of this wholesale market and happily beat gongs to mark the opening of the 128th business day of the market. Then, Gao Dezhan listened to the work reports made by responsible comrades of materials and goods groups, the wholesale market, and other pertinent departments.

Gao Dezhan stressed: Accelerating reform of structures in the circulation sphere and cultivating and developing a market system constitutes the basic link of the establishment of the socialist market economic structure, the major manifestation of omnidirectional opening to domestic places and the outside world, and an extremely important work to build Tianjin into the commercial, trading, and banking center of northern China and to give full play to the role of the municipality as the city directly under the jurisdiction of the central authorities.

Gao Dezhan definitely pointed out: Through the endeavor in this and the next years, Tianjin should build 10 commodity and key elements markets that are influential in northern China and throughout the country. This should be considered the major objective that is to be attained through hard work in the fields of reform, opening up, and economic development of the whole municipality.

Gao Dezhan pointed out: To attain this objective, we must pay attention to the work in the following three aspects:

First, we should successfully build markets. We should perfect commodity markets, vigorously develop key elements markets, pay attention to building both hardware and software items, and positively develop the professional intermediate organizations that facilitate the cultivation of markets.

Second, we should make good use of markets. We should have commodities on every market, increase the turnover of goods, increase transaction volume, and engage in large-scale transaction in flexible manner, extend business to northern China and even the whole country in order to attract traders from all over the country.

Third, we should successfully manage markets. We should perfect market rules and regulations, protect fair competition, establish good order, strengthen control over markets, and ensure normal operations. In sum, Tianjin should run as many markets as possible, run large-scale and high-level markets, strive to make itself the center of northern China and the first class municipality of the country, and link itself with the international markets.

According to another source, on the morning of 22 February, Gao Dezhan, secretary of the municipal party committee, beat the gong at the transaction hall of Beiyang Tianjin Steel Product Wholesale Market to mark the start of the 128th business day of this market. Since its opening, this market, the largest steel product market in the municipality which supplies the whole country, had transactions totaling 6.19 million tonnes of steel products and 21.1 billion yuan in renmenbi. Gao Dezhan wished the market increasingly brisk business this year.

## Northeast Region

### Reportage on Heilongjiang Secretary's Activities

#### Addresses CPPCC Session

SK1902111994 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 18 Feb 94

[Excerpts] The Second Session of the Seventh Provincial Committee of the Chinese People's Political Consultative Conference [CPPCC] ceremoniously opened in Harbin today. This afternoon, the theater located in Harbin Beifang Building was filled with an atmosphere of democracy and unity. [passage omitted]

Members of the provincial CPPCC Committees, numbering 586, gathered together there to jointly discuss the major plans for invigorating the province and making the people prosperous.

At 1400 in the afternoon, Zhou Wenhua, chairman of the provincial CPPCC Committee, declared the session open. [passage omitted]

Taking seats on the rostrum were chairmen, vice chairmen, and secretary generals, including Zhou Wenhua, Huang Feng, Dai Moan, Fu Shiyang, Guo Shouchang, Chen Wenzhi, Tan Fangzhi, Zhou Shijie, Chen Zhanyuan, Wang Zhitian, Wu Dinghe, and Zhang Huanchen, and leaders of the provincial, government, and army organs, including Sun Weiben, Shao Qihui, Ma Guoliang, Tian Fengshan, Shan Rongfan, Meng Qingxiang, Yang Guanghong, Wang Xianmin, Li Qinglin, Yu Jingchang, Qi Guiyuan, Cong Fukui, Zhou Tienong, Yang Zhihai, Wang Zongzhang, Ma Shujie, Wang Haiyan, and (Wu Yuxian). Also taking seats on the rostrum were provincial-level resigned or retired veteran comrades, such as Zhao Dezun, Chen Lei, Li Jianbai, Wang Zhao, and Chen Jianfei. Former chairmen and vice chairmen of the provincial CPPCC Committee attended the session. [passage omitted]

Sun Weiben, secretary of the provincial party committee, addressed the opening session on behalf of the provincial party committee and government. [passage omitted]

Sun Weiben said: Since the First Plenary Session of the Seventh Provincial CPPCC Committee, CPPCC organizations at all levels across the province have held aloft



the banners of patriotism and socialism, united with all democratic parties and mass organizations, and the people of various nationalities and various circles, conscientiously studied Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, comprehensively implemented the party's basic line, realistically exercised the basic functions of political consultation and democratic supervision in line with the party's central tasks, and made important contributions to promoting political stability, economic development, and social progress in Heilongjiang. The provincial party committee and government, and the people across the province are very pleased with this.

Sun Weiben pointed out: The year 1994 is crucial to Heilongjiang's development and invigoration. It is hoped that CPPCC organizations at all levels will redouble their efforts this year and make new contributions to reform, development, and stability. First, they should make greater contributions to establishing the modern enterprise system and invigorating the state-owned large and medium-sized enterprises; second, optimizing the economic structure and raising the level of industries; third, developing high-yield, fine-quality and highly-efficient farming and township enterprises, and unceasingly raising the income of peasants; fourth, strengthening the building of international economic and trade and escalating the strategy of opening to the outside world; fifth, maintaining political and social stability and consolidating the political situation of stability and unity; and sixth, promoting the main melody of socialism and strengthening the building of spiritual civilization.

Entrusted by the standing committee of the provincial CPPCC Committee, Huang Feng, vice chairman of the provincial CPPCC Committee, delivered a report on the work of the standing committee of the seventh provincial CPPCC Committee at the opening ceremony.

The report is composed of two parts: The first part is to review the work of the provincial CPPCC Committee of the past year. During the past year, the provincial CPPCC Committee strived to raise the quality of political consultation, did a good job in conducting special investigations and inspections to serve economic construction, further institutionalized and standardized political consultation and democratic supervision, strengthened the work on nationalities, religions, cultural and historical materials, and overseas contacts, and strengthened ties with and guidance for CPPCC Committees in various cities and counties. The second part is to define the 1994 guiding ideology and major tasks of the provincial CPPCC work, which include the efforts to take the theory on building socialism with Chinese characteristics as the guidance, comprehensively and deeply implement the guidelines of the 14th party congress and of the Third Plenary Session of the 14th CPC Central Committee, submit ourselves to and serve the overall situation of the party's work focusing on seizing the opportunity, deepening reform, expanding opening up, promoting development, and maintaining stability,

act in close connection with the 1994 work priorities of the provincial party committee, give play to the political and personnel advantages of the CPPCC, conscientiously exercise the functions of political consultation and democratic supervision, further open up a new situation in the CPPCC work, and make new contributions to our province's reform, opening up, economic development, and social stability.

Entrusted by the Motions Examination Committee of the provincial CPPCC Committee, Dai Moan, vice chairman of the provincial CPPCC Committee, also delivered a report on the work of handling motions raised since the First Session of the Seventh Provincial CPPCC Committee.

### Attends Congress Meeting

*SK2002054894 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 18 Feb 94*

[Text] The Eighth Standing Committee Meeting of the Eighth Heilongjiang Provincial People's Congress was held in Harbin on 18 February. The first meeting held on the morning was presided over by Sun Weiben, chairman of the provincial people's congress standing committee. Vice Chairmen Li Genshen, An Zhendong, Qi Guiyuan, Xie Yong, Du Xianzhong, Zhu Dianming, Zhao Jicheng, and Liu Hanwu attended the meeting.

The participants listened to a report given by the Legislative Affairs Commission of the provincial people's congress on the revisions of Heilongjiang Province's draft regulation concerning the people's police patrol; an explanation given by the Education, Science, Culture and Public Health Committee of the provincial people's congress on Heilongjiang Province's regulation on managing the building of dignified units; an explanation given by the Topographic Bureau on Heilongjiang Province's draft method for implementing the PRC's topographic law; a report given by the Urban Construction Committee of the provincial people's congress on the results of discussion of Heilongjiang Province's draft method for implementing the PRC's topographic law; an explanation given by the Qiqihar city people's congress standing committee on the revisions of the detailed rules and regulations of Qiqihar city on managing relocation work to give room for urban construction; and a report given by the Urban Construction Committee of the provincial people's congress on the results of examining the revisions of the detailed rules and regulations of Qiqihar city on the management of relocation work to give room for urban construction. The participants of the meeting also listened to a report by Qi Guiyuan, vice chairman of the provincial people's congress standing committee, on the preparations for the convocation of the Second Session of the Eighth Provincial People's Congress, and his explanation on the relevant items on the draft agenda; an explanation by Liu Hanwu, vice chairman of the provincial people's congress standing committee, on the report of the Credentials Committee of the Heilongjiang Provincial people's congress

standing committee on the credentials of the by-elected deputies since the first session of the eighth provincial people's congress; and an explanation by Li Genshen, vice chairman of the provincial people's congress standing committee, on the draft namelist of the presidium and secretary general of the Second Session of the Eighth Provincial People's Congress.

Liu Hanwu, vice chairman of the provincial people's congress standing committee, and Vice Governor Ma Shujie, respectively, explained the appointment of two cadres to the provincial people's congress and removal of two members from the provincial government.

### **Views Developing Economy**

*SK2102041794 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 20 Feb 94*

[Text] The provincial on-the-spot forum on the implementation of the strategy for becoming rich ahead of others was held on 19 February.

Some provincial leaders, including Ma Guoliang, Wang Xianmin, and Sun Kuiwen, were present at the forum. Leaders of the cities of Shangzhi, Suihua, Zhaodong, Shuangcheng, Nehe, Fujin, Acheng, and Hailin; Mulin and Hulan Counties; and provincial-level departments concerned introduced the experiences in becoming rich ahead of others and the situation of supporting the rich counties to seek wealth. Sun Weiben, secretary of the provincial party committee, made a speech at the forum. Ma Guoliang, deputy secretary of the provincial party committee, also made a speech.

Sun Weiben pointed out in his speech that the nine counties and cities should lose no opportunities to quicken the pace of industrialization and regard it as a strategic priority of development.

The strategy of being the first to become rich was set forth by the provincial party committee and the provincial government at the beginning of 1993 with a view to promoting the development of the county-level economy. Over the past, these nine cities and counties have firmly implemented the strategic arrangements of the provincial party committee and the provincial government, worked in line with their different actual conditions, fruitfully carried out their work, and rapidly promoted the economic development. Their overall economic development level is higher than the national average. These nine cities' and counties' GNP in 1993 rose by 20.7 percent over 1992 and was 15.8 percent higher than the provincial growth rate. Hulan County, which had not been put on the list of nine rich counties, also made sustained and fast increases in the rural economy and industrial production. So, this county was listed as one of the rich counties at this forum.

Comrade Sun Weiben pointed out: Viewing the provincial situation, we know that industry is a weak link in the development of the county-level economy. When compared with the national average level, these nine rich

cities and counties still have such problems as industry accounts for a small proportion, the development speed is slow, and the economic results are poor. If they do not rapidly make up the deficiency in industry, it will be difficult for them to take the lead in becoming rich and the pace of stepping toward the target of becoming fairly well-off will slow down. Therefore, in line with the thinking of the socialist market economy, the rich counties should accelerate the pace of industrializing the county-level economy and concentrate their energy on vigorously developing town and township enterprises. In regard to the selection of projects, we should persistently link the projects with less investment, fast efficiency, and short construction periods with key large-scale and export-oriented projects with high starting points. In regard to the construction of projects, we should carry out the legal person responsibility system. Simultaneously, we should attend to the reform and reconstruction of the existing enterprises. Persistently in line with the principle of appropriate concentration, we should pay equal attention to the construction of key projects, small industrial zones, and small towns.

He said: To ensure the sound development of the county-level economy, we should take the path of making trade, science, agriculture, and industry a coordinate process. In regard to the organizational leadership, we should eliminate the division of administrative work, break the barriers between different regions and between different departments, and exercise organizational leadership according to the principle of systems engineering. In regard to the distribution of benefits, we should organize and set up a community of benefits in line with the principle of equally sharing benefits and risks. Key enterprises should concentrate efforts on reforming the property right system, conducting the technological transformation, improving management, and offering serialized service.

Ma Guoliang, deputy secretary of the provincial party committee, urged that the rich counties should thoroughly understand the situation, firmly attend to work, unswervingly implement the strategies of becoming rich ahead of others, take the readjustment of the economic structure as a priority to map out a new pattern for county-level economic development, deepen the reform of the county-level economy, quicken the pace of entering the market economy, increase the dynamics of introducing businessmen and capital, support the fast development of the county-level economy, and accurately handle the relationship between reform and development and stability, and concentrate energy to make development.

### **Heilongjiang Holds Forum on Helping Poor Counties**

*SK2302054194 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 22 Feb 94*

[Text] At the provincial on-the-spot forum on carrying forward the strategy of helping poor counties shake off



poverty which ended yesterday, Sun Weiben, secretary of the provincial party committee, said: To end poverty, poor counties must turn their eyes inward, stand on their own feet to become stronger, give a free hand to grass roots, enterprises, and peasants, rapidly guide them to the market, and strengthen the ability of markets to survive and develop themselves in the course of competition.

Attending this forum were provincial leaders, including Ma Guoliang and Sun Kuiwen, leaders of the province's 11 poor counties and the cities and districts in these counties, and responsible persons of provincial level departments concerned.

Comrade Sun Weiben pointed out: In the process of acquiring the new market economic structure, the policies, and scope and degree of economic benefits, such as reducing or remitting taxes, increasing loans, and striving for parity-price means of production, will be gradually reduced. If the ideas of helping poor counties shake off poverty and become prosperous still remain in the stage of asking for money, materials, and policies from the higher authorities, it will be very difficult to carry out the work of enabling poor counties to shake off poverty and become prosperous. The establishment of the new market economic structure has brought new opportunity for this work. If we promptly adjust our ideology and shift the planned economy to a market economy, we will be able to more rapidly attain the aim of enabling poor counties to end poverty and become prosperous. He said: The key to success is to do a good job in the two aspects of decontrolling and invigorating the markets and guiding enterprises to enter the market. To invigorate the markets, we must eliminate the obstacles. If we decontrol the management of thousands upon thousands of markets and enable them to develop production and create wealth independently, we will have no problem in helping poor counties end poverty. The problem now is that the traditional leadership concepts and management system have tied the hands of peasants and enterprises. When carrying out work, peasants and enterprises have to ask for favors from various departments, and if they fail to do so, they will be unable to carry out their work. There are too many official procedures and shackles. The way to solve this is to deepen reform, change government functions, and streamline and reorganize organs. Government departments should not manage things that are within the framework of the decision-making power of enterprises and laborers. Departments which have no work to do after changing functions and delegating powers should be merged into other organs or abolished. Those who extort money from enterprises and peasants or create difficulties for them should be investigated and handled upon discovery. He said: We must pave the road and build bridges for enterprises and peasants to enter the market. Since peasants have engaged in the natural economy and enterprises in the product economy for a long time, they cannot adapt themselves to the market as soon as it is decontrolled. Particularly, the quality of enterprises and

peasants are relatively lower in poor counties. The contradictions between the scattered small production units and large markets are very prominent. It does not mean that the governments have nothing to do or that they have taken on an attitude of noninterference after creating benefits for the markets. They should guide thousands and thousands of peasant households and enterprises into the market and give prominence to the intermediate service work for peasants and enterprises. Comrade Sun Weiben noted: To help poor counties, we should adopt permanent measures, focus the work on supporting poor counties by carrying out explorative work and enhancing their ability to survive and develop under market conditions, relatively concentrate efforts on helping poor counties carry out some explorative pillar items in agricultural and industrial production, and enhance their self-development function. In addition to studying and formulating regular policies to help and support poor counties, we should also issue some relatively supportive policies in line with the explorative pillar industries and projects they have carried out. In formulating policies to help and support poor counties, the general guideline is to try to the utmost to decontrol enterprises.

At the forum, Vice Governor Sun Kuiwen summed up the situation of carrying out the strategy of helping poor counties across the province shake off poverty and become prosperous and set forth demands on future work. He said: Since the convocation of the provincial on-the-spot meeting on helping poor counties shake off poverty held in Lindian County last year, the strategy of helping poor counties shake off poverty has been carried out in an all-round manner. Last year, the total output value of 11 poor counties increased 13.7 percent over that of the previous year, higher than the provincial average by 8.8 percentage point; their financial revenue increased 13.4 percent, higher than the province's county average level; and the average per-capita income of people in the rural areas increased 25.5 percent, higher than the provincial average by 17.1 percentage point. He called on poor counties across the province to strengthen confidence in shaking off poverty and becoming prosperous, deeply carry out the strategy of helping them shake off poverty, fully and rationally develop and use land resources, steadily develop large-scale agriculture, unceasingly raise the income of peasants, actively develop county-run industry, and continue to expand local financial resources. He called for efforts to further enhance consciousness and initiative in carrying out the strategy of helping poor counties shake off poverty, continue to support poor counties with policies, organize social efforts to jointly carry out this strategy, and strive to fundamentally change the outlook of poor counties after several years of efforts.

**Heilongjiang's Exports of Farm Products Increase**  
*OW1902082794 Beijing XINHUA in English 0624*  
*GMT 19 Feb 94*

[Text] Harbin, February 19 (XINHUA)—Northeast China's Heilongjiang Province recorded a remarkable

growth in its export of farm and sideline products last year, which amounted to over 500 million U.S. dollars, accounting for 27.4 percent of its total export volume.

Among the 21 major kinds of export commodities that earned at least 10 million U.S. dollars each in 1993, 14 were farm and sideline products.

And, over 90 percent of the soybean exports of the whole country came from Heilongjiang.

Experts here attributed the fast growth in farm exports of the province to growing border trade with Russia in recent years.

Along the 3,000-km borderline, 70 percent of the townships and 30 percent of the villages have built their processing industries, while inland cities have set up many export farm bases in the province.

To boost the development of an export-oriented economy, the province has invested about 120 million yuan to build more than 170 farm production bases itself over the past few years.

It has also set up economic ties with over 30 countries and regions throughout the world, using foreign funds to build modern farms and processing industries.

#### **Jilin People's Congress Hears Economic Reports**

SK2302074194 Changchun Jilin People's Radio  
Network in Mandarin 2300 GMT 22 Feb 94

[Text] The Second Session of the Eighth Jilin Provincial People's Congress held its second plenary meeting on the afternoon of 22 February to hear a report on implementation of Jilin's 1993 national economic and social development plan and its 1994 draft plan given by Liu Jisheng, director of the provincial planning and economic commission; and a report on implementation of Jilin's 1993 budget and its 1994 draft budget given by Li Naijie, director of the provincial finance department.

Chen Zhenkang, executive chairman of the session, presided over the meeting. Other executive chairmen were Zhang Dejiang, Shang Zhenling, Yuan Baixiong, Zhou Zaikang, Zhang Mingyuan, Li Shixue, and Sun Youmin.

In his report, Liu Jisheng reviewed how Jilin's 1993 national economic and social development plan was implemented, saying: In 1993, Jilin's agricultural output value totaled 22.3 billion yuan, up 5.5 percent from the preceding year; grain output 19.01 billion kg, second highest in our history; industrial output value 105.16 billion yuan, up 18.8 percent; fixed asset investment of the entire society 23.21 billion yuan, up 53.6 percent; and the increased value of the tertiary industry 16.74 billion yuan, up 17.3 percent from the preceding year and up 7.6 percentage points from the national average.

Speaking on arrangements for Jilin's 1994 national economic and social development plan, Liu Jisheng said:

With the focus on comprehensively fulfilling the targets and tasks of promoting the economy to a new height, we should accelerate the reform designed to establish the socialist market economy system, open wider to the outside world, strengthen and improve macroeconomic regulation and control, achieve a balance between total supply and total demand, make great efforts to restructure the economy, strengthen enterprise management, strive to improve economic efficiency, and maintain sustained, rapid, and healthy economic development.

Li Naijie gave a report on implementation of Jilin's 1993 budget and its 1994 draft budget. He said: In 1993, Jilin's revenue totaled 7.98 billion yuan, equivalent to 130 percent of the province's budgetary revenue of the year and showing an increase of 40.1 percent over the preceding year. Thanks to rapid economic development, Jilin overfulfilled its revenue target, and its budgetary expenditure by and large ensured the funds needed in reform, opening up, economic construction, and improvement of living standard.

He pointed out: The guiding thoughts for the arrangements of Jilin's 1994 budget are to thoroughly implement the guidelines of the Third Plenary Session of the 14th Party Central Committee and the Second Plenary Session of the Sixth Provincial Party Committee, to actively promote the financial reform focusing on the tax assignment system, to establish a standard financial operation mechanism, to bring distribution into better balance, to greatly cultivate and open up new financial resources, to improve economic efficiency, to make the revenue increase compatible with economic development, to restructure the expenditure, to properly increase the investment in agriculture, education, science, and technology, and the funds for public security, procuratorial, and judicial organs, to properly reduce the expenses on ordinary purposes, and to persist in keeping the expenses within the limits of income and a balance between the revenue and the expenditure to promote sustained and rapid economic development.

#### **Jilin Executes Three for Economic Crimes**

HK2102101894 Hong Kong AFP in English 0947 GMT  
21 Feb 93

[Text] Beijing, Feb 21 (AFP)—The authorities in the far northeastern Chinese province of Jilin have sentenced seven people to death in an ongoing crackdown on economic crime, the People's Court News said Monday.

Three of the seven were executed immediately, while three more had their sentences suspended for two years, the newspaper said.

Among those executed were two banking accountants, Shi Yuqing and Zheng Xiaojie, who embezzled 189,000 yuan (22,000 dollars) and 990,000 yuan (114,000) from their respective bank branches.



A further 23 people were given prison sentences ranging from three years to life for a variety of crimes, including embezzlement, bribery, fraud and graft.

In a separate report, the newspaper said eight people were sentenced to death—suspended in six cases—for masterminding a series of robberies at an oil field in northeastern Hebei province.

On three separate occasions, they entered the oil field and stole hundreds of barrels of oil which they then sold on the black market. During one robbery, a dropped cigarette sparked a serious fire that raged for 21 days, the newspaper said.

### **Liaoning Secretary Views Propaganda, Ideological Work**

*SK2202113694 Shenyang Liaoning People's Radio Network in Mandarin 1000 GMT 21 Feb 94*

[Text] The provincial propaganda and ideological work conference was held in Shenyang on 21 February. The conference relayed the guidelines of the national propaganda and ideological work conference. Gu Jinchí, secretary of the provincial party committee, pointed out at the conference: Party committees at all levels should attach full importance to propaganda and ideological work, consider the adherence to the theory of building a socialism with Chinese characteristics as the fundamental principle, implement the party's basic line in all fields, and further strengthen and improve the provincial propaganda and ideological work under the new situation.

Attending the conference were leaders Yue Qifeng, Wang Huaiyuan, Zhang Guoguang, Shang Wen, Wang Conglu, Li Guozhong, Xu Wencai, Wen Shizhen, Yu Junbo, Liu Zhenhua, Xiao Zuofu, Gao Diancheng, and Zhang Rongming.

In his speech, Gu Jinchí said: The national propaganda and ideological work conference, held not long ago, was an important conference of overall significance at the critical moment of establishing the socialist market economic structure and carrying out the modernization drive. We must conscientiously study the documents of this conference, profoundly understand and master the basic guidelines of the conference, and comprehensively implement the guidelines in line with the reality of Liaoning.

Gu Jinchí pointed out: Propaganda and ideological front has always been an extremely important front. Without the guiding, encouraging, and guaranteeing role of propaganda and ideological work, it is hard to establish the socialist market economic structure.

He emphatically pointed out: Our province is now at the key period of reform and development. It is of specially important and regent significance to strengthen and improve propaganda and ideological work. New situations and tasks have set new and even higher demands

on propaganda and ideological work. To fulfill these tasks, the whole party must pay attention to further carrying out the principle of taking a two-handed approach and being tough with both hands.

Gu Jinchí pointed out: Propaganda and ideological work must be oriented to the fundamental principle of the theory of building the socialism with Chinese characteristics and must be subjected and geared to the overall situation of the work of the whole party. In line with the overall arrangements and the strategic ideology for propaganda and ideological work during the new situation, set forth by the central authorities, we should exert efforts in the following six aspects:

First, we should persistently arm the whole party with the theory of building a socialism with Chinese characteristics, control the overall situation, and guide all the work on propaganda and ideological front. Second, by closely centering on economic construction, we should make great effort to give rise to a public opinion atmosphere of the whole party paying attention to economic construction and should concentrate the attention of all fields at higher and lower levels on the central task of economic construction. All departments on propaganda and ideological front should make full use of their respective advantages to carry forward their role in theoretical guidance, public opinion guidance, spiritual encouragement, cultural appeal, and external propaganda with a view to adding vigor to the province's economic development. Third, we should give prominence to reform, increase the dynamics of propaganda, and support reform in a clear-cut manner. Fourth, by closely seizing the key link of emancipating the mind, in line with the province's situation and the realities of respective localities, we should guide the people with Comrade Deng Xiaoping's theory on the essence of socialism and the theory of socialist market economy to truly make clear what is socialism, to foster a new concept suiting the socialist market economy, and to make innovations boldly and make progress positively. Fifth, we should energetically advocate the main melody, improve the quality of the people, and enhance the people's pioneering spirit to create a good social environment for reform, development, and stability. At present, we should particularly exert great efforts in straightening out cultural market and further perfecting the province's systems, rules, and regulations on management of cultural market so as to orient the management of cultural market to the orbit of institutionalization and regularization as early as possible. Sixth, we should always conduct propaganda and ideological work, with the people as the mainstay, and with the purpose of training new persons with lofty ideals, moral integrity, education, and a sense of discipline. Currently, centering on reform, construction, and social stability of the province, we should strengthen ideological and moral education with patriotism, collectivism, and socialism as the key contents and should guide the people, young people in particular, to foster correct ideals, belief, the outlooks on world, on life, and on value. Propaganda and ideological departments as well as the vast numbers of

propaganda and ideological workers should fully understand their important duties, strive to arm their brains with the theory of building socialism with Chinese characteristics, correctly make explorations and improvements for the methods of propaganda and ideological work under the new situation, and constantly improve the level of propaganda and ideological work in order to suit the demand of building two civilizations.

Attending the conference were responsible secretaries of party committees and directors of propaganda departments of railway bureaus of Shenyang and various other cities, Liaohe Petroleum Prospecting Bureau, Northeast China Oil Transmission Management Bureau, and Northeast Management Bureau of the civil aviation administration of China. Also attending were responsible comrades of various departments, commissions, offices, and bureaus directly under the provincial authorities as well as various units on propaganda and cultural fronts.

**Liaoning's 'Non-State-Owned' Economic Sector Thrives**

*OW2102152094 Beijing XINHUA in English 1423 GMT 21 Feb 94*

[Text] Shenyang, February 21 (XINHUA)—The non-state-owned economic sector is becoming the "most vigorous" sector in Liaoning Province, a heavy industrial production center in China, according to the provincial government.

An official from the provincial statistics bureau said that non-state-owned manufacturers—collectively-owned firms, private companies and Sino-foreign joint ventures—turned out 166 billion yuan worth of goods in 1993, up 50 percent over the previous year.

As a result, these manufacturers now account for nearly 48 percent of the province's total industrial output value, an increase of four percentage points, the official said.

In contrast, output value of state-owned manufacturers rose just 5.3 percent last year, he said.

Production growth of collectively-owned businesses in both urban and suburban areas is the most impressive, with output value topping 100 billion yuan for the first time in 1993, he said.

The figure represented an increase of 68 percent over 1992, he added.

Meanwhile, output value of foreign-funded companies shot up by 40 percent and that of private firms by 50 percent, he said.

Local economists agreed that non-state-owned companies are now playing an increasingly significant role in circulation.

They cited the change in market shares as an example. Retail sales of state-run companies rose 10.4 percent in 1993, while those of collectively-owned firms climbed by 15 percent, those of private businesses by 43 percent and those of foreign-funded enterprises by 70 percent.

As a result, non-state-owned companies accounted for 63 percent of Liaoning's retail sales in 1993, up by four percentage points.

Moreover, non-state-run research institutes are mushrooming throughout Liaoning, the economists said.

The province had 5,180 such institutes in 1993, 4,100 more than in 1992, according to the provincial statistics bureau. These institutes employed 70,000 people last year, 55,000 more than in 1992.

Moreover, these institutes generated a total of 170 million yuan in profits and taxes in 1993, ten times the amount in the previous year.

According to economists, the non-state-owned sector is also becoming a major source of revenue for Liaoning Province.

For example, collectively-owned township-run enterprises paid five billion yuan in taxes to the government last year, a quarter of Liaoning's revenue.

**Liaoning Plans To Cut Sulfur Dioxide Pollution**

*OW2102134394 Beijing XINHUA in English 1309 GMT 21 Feb 94*

[Text] Shenyang, February 21 (XINHUA)—Sulphur dioxide in the air of Shenyang, capital of northeast China's Liaoning Province, will be reduced to two-thirds the current content in 1996.

This is the predicted outcome of a facilities upgrading project in the Shenyang Smelter, which emits up to 40 percent of the city's sulphur dioxide.

The project, scheduled to be completed in 1996, will slash sulphur dioxide emissions from the smelter by 80 percent. Density of emissions will be far below limits set by the state.

The project recently received a loan of 5.89 million U.S. dollars from the Canadian Government through the Shenyang branch of the Bank of Communications.

The pollutant is mainly discharged by the smelter's out-of-date purifying equipment, used in the preparation of sulphuric acid.

In 1994, this industrial city is reportedly to improve 70 percent of its combustion and dust removing installations to meet state requirements.



**Air Force Puts F-104 Fighters Back in Service**

OW1802085794 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 10 Feb 94

[From the "Hookup" program]

[Text] After a comprehensive test and inspection, all the F-104 fighters which had been grounded due to their long service life joined once again the ranks of the Air Force's fighters safeguarding the territorial space over the Taiwan Strait. It is estimated that the F-104 fighters will continue their service for three to four more years to make up for the inadequacy of combat effectiveness during this period before the F-16 and Mirage-2000 fighters purchased from the United States and France, respectively, are delivered. The following is a report filed by Liu Yu-mei:

[Begin recording] [Liu Yu-mei] Separated by a distance of merely 70 plus miles from the mainland, the Air Base in Hsinchu occupies an important strategic position. While undertaking the all-weather air defense mission, fighters at the base are standing by for immediate takeoff within 3, 5, or 15 minutes after orders are received to intercept intruding enemy aircraft, because it will take three to four more years before the F-16 fighters purchased from the United States and the Mirage-2000 fighters purchased from France can be successively delivered. All the F-104 fighters had been grounded due to their long service life but, after their control system's hydraulic pipes and electronic circuits were completely replaced with new ones and after improvements were made in their fuselages, the Air Force has by now completed the inspection and repair of some of the fighters to let them undertake the necessary mission of being on the alert and intercepting any intruding enemy aircraft. The 499th Wing of the Air Force recently conducted a Spring Festival combat readiness exercise at the Hsinchu Air Base. The F-104 fighter squadron under the 2d Wing sent four F-104 fighters whose test and inspection had just been completed plus four (F-5E/F) and four AT-3 trainers and fighters to conduct combat exercises. Lieutenant General Sun An-kuo, director of the Air Force's General Political Warfare Department, said that Air Force flyers deem it their highest honor to be able to sacrifice their holidays to undertake the air patrol mission.

[Sun An-kuo] All Air Force officers and men will make great efforts, such as undertaking the missions of being on the alert, on patrol, and so forth, to protect the safety of the treasured island [Taiwan] during the Spring Festival every year. We wish all the civilians of the country a very good time during the Chinese Lunar New Year holidays. Though we sacrifice our holidays, we feel it is our greatest honor.

[Liu] Due to the important strategic position occupied by the Hsinchu Air Base, most of the Mirage-2000 fighters will be deployed there after they are delivered in the future. At present, the Air Force already selected more than a dozen language and technical experts and sent them to France for training to become certified instructors. It is estimated that overall equipment

replacement [of the fighters] will be completed by the end of the century. [end recording]

The above report was filed by Liu Yu-mei, reporter of the Broadcasting Corporation of China, at the Hsinchu Air Base.

**Official Comments on Hong Kong Air Route Talks With PRC**

OW2202062694 Taipei CHUNG KUO SHIH PAO in Chinese 16 Feb 94 p 1

[Text] According to a high-ranking government official, the talks on Taiwan-Hong Kong air rights have entered a stage where a showdown is likely. The Communist Chinese insist on defining the Taiwan-Hong Kong air route as a direct, cross-strait route after 1997. Using this as a premise, they have expressed a willingness to grant new Taiwan-Hong Kong air rights that will remain in force after 1997, with Mandarin Airlines, Eva Airways Corporation, and Hong Kong's Cathay Pacific Airways jointly operating the route. However, we continue to define this air route as an international one.

According to the official, Communist China recently informed us through certain channels that it had no objection to the contents of an agreement proposed by Taiwan regarding new Taiwan-Hong Kong air rights. It signaled its willingness to allow the new aviation agreement to remain valid beyond Hong Kong's great threshold of 1997, by extending the term of the new aviation agreement until the year 2000. Additionally, Communist China did not take issue with Eva Airways Corporation's role in operating the Taiwan-Hong Kong air route, in order to satisfy our demand for "designating several airlines" to operate the route.

A precondition for Communist China's acceptance of the aforementioned terms, however, is that we must view the Taiwan-Hong Kong route as a direct route across the Taiwan Strait, or a "domestic route" within China's boundaries, after 1997; that Taiwan may not use aircraft bearing the characters "Republic of China" [ROC] or painted with the ROC's emblem or flag on the Taiwan-Hong Kong air route; and that Taiwan may not take advantage of the air route to implement the policy of "two China's." In other words, China Airlines may not join in the operation of the Taiwan-Hong Kong air route.

Currently, we have a substantial difference of opinion with Communist China regarding the definition of the Taiwan-Hong Kong air route after 1997. The official noted: Our position is that although Communist China will retake Hong Kong after 1997, we will define and juristically proclaim Hong Kong and Macao as special regions different from Mainland China, and that continuing flights to those regions by Taiwan's aircraft after 1997 will not be taken as direct flights across the Taiwan Strait.

The policy-making official stated: Although we will not challenge Communist China's definition of the Taiwan-Hong Kong air route as a domestic one, we will continue to

view it as an international route. This will allow the two sides to define the route differently. With regard to China Airlines' withdrawal from the Taiwan-Hong Kong air route, the official said: The flexible practice of replacing China Airlines with Mandarin Airlines is not without precedent; this is our current mode of air services with Vietnam and Europe. There should be no serious problem provided China Airlines agrees to the arrangement.

The official stated: Some people recently proposed that Taiwan, Communist China, and a foreign country jointly finance and establish a new international airline company, which will allow Taiwan, Communist China, and Hong Kong to make use of this joint venture's ambiguous status to diminish the sensitivity of trilateral politics. After 1997, the company will be allowed to operate the Taiwan-Hong Kong air route exclusively.

#### **Economics Minister Praises Philippine Industrial Park**

*OW2102083794 Taipei CNA in English 0652 GMT 21 Feb 94*

[By Debbie Kuo]

[Text] Taipei, Feb. 21 (CNA)—The establishment of a Taiwan industrial park in Subic Bay marks a new era of economic cooperation between the Republic of China and the Philippines, Economics Minister P.K. Chiang said Sunday [20 February].

Chiang made the remarks upon returning from Subic where he and Philippine Trade Secretary Rizalino Navarro jointly presided over a groundbreaking ceremony for the Taiwan-invested industrial park.

During the ceremony, Richard Gordon, chairman of the Subic Bay metropolitan authority, and M.H. Huang, chairman of Taiwan's United Development Corp. signed an agreement for joint development of the industrial park.

A number of high-ranking Philippine officials and a 140-member Taiwan business delegation also attended the ceremony.

The Taiwan industrial park will be developed over a 325 hectare area in three stages using a US\$23.5 million soft loan from Taiwan.

The park is only one kilometer from a port and 10 minutes from an international airport. Because of its easy transportation access, Chiang has suggested that Subic Bay be developed into Taiwan's fourth export processing zone.

Subic Bay is an ideal choice for Taiwan investors, he added. It boasts almost-free rent, a free-market economic system and abundant, low priced, English-speaking labor.

The Philippine Government turned the former US Navy base at Subic, 80 km northwest of Manila, into a free port and industrial zone after US forces left in 1992.

Since then, a great number of Taiwan companies have shown interest in investing in the area and 51 more this time said they would jump on the bandwagon.

Taiwan investment is expected to pour US\$1 billion into the industrial park and create 100,000 jobs, delivering a boost to the slumbering Philippine economy, the Manila-based Taipei Economic and Cultural Office said.

#### **Canada-Taiwan Trade Increases Slightly in 1993**

*OW1802080494 Taipei CNA in English 0719 GMT 18 Feb 94*

[By S.C. Chang]

[Text] Ottawa, Feb. 17 (CNA)—Two-way trade between Canada and Taiwan registered a small increase last year, with Canada still suffering a big deficit, statistics Canada officials said Thursday.

Canada imported C\$2.6 billion [Canadian dollars] (U.S.\$1.93 billion) in commodities from Taiwan in 1993, compared with C\$2.5 billion (U.S.\$1.86 billion) the previous year, the officials said.

Canada's exports to Taiwan also increased from C\$954 million (U.S.\$709 million) in 1992 to C\$998 million (U.S.\$742 million) last year, they added.

Taiwan exports to Canada included plastics, apparel, footwear, electric machinery, furniture, and toys and games.

Canada exported fish and wood products, electrical machinery, nickel and organic chemicals.

#### **Trade With Spain Declines 'Sharply' in 1993**

*OW1902092494 Taipei CNA in English 0821 GMT 19 Feb 94*

[By Jorge Liu and Lilian Wu]

[Text] Madrid, Feb. 19 (CNA)—Trade between Taiwan and Spain dropped sharply to U.S.\$884 million in 1993 from the record high of U.S.\$1 billion in 1992.

Taiwan exports to Spain totaled U.S.\$553 million in 1993, down 32.1 percent from the previous year, while imports from Spain registered U.S.\$291 million, up 52.9 percent, Spanish customs tallies revealed.

The increase in Spanish imports and drop in Taiwan exports help cut Spain's trade deficit with Taiwan. Spain's trade deficit was U.S.\$262 million in 1993, down 138 percent from U.S.\$624 million in 1992.



## Hong Kong

### Chief Secretary Concedes End to Talks on Reform

HK1902073194 Hong Kong HONGKONG STANDARD  
in English 19 Feb 94 p 1

[By political editor Mary Binks]

[Text] Britain's door to negotiation with China on arrangements for Hong Kong's final elections under British rule officially closed yesterday with the acknowledgement that co-operation was no longer possible. Until now, Britain and the Hong Kong administration had adamantly declared the door remained open to negotiation with China and that the British side was ready to fly to Beijing at short notice to resume talks. But yesterday, Chief Secretary Anson Chan conceded the time for negotiation on constitutional reform was over because of time constraints governing arrangements for the final elections under British rule.

Mrs Chan also, for the first time, conceded the possibility that China might dismantle Hong Kong's political system in 1997.

Mrs Chan cast doubts over her own political future saying she would find it difficult to preside over electoral arrangements which she did not consider fair and open if China dismantled Hong Kong's three tiers of government in 1997. "We've tried to give as much time as possible to reach agreement with the Chinese, that is the reason we decided to push ahead with the first stage first," Mrs Chan told The Hongkong Standard.

"The first stage dealt with very simple issues which we did not think the Chinese should have too much difficulty with and the whole purpose of that was to buy ourselves more time so we could continue talks with the Chinese on more complex issues. "At the moment there is a considerable gap between the Chinese view and the British Hong Kong view. It is unfortunate that there has been no agreement but now we have no choice but to push ahead."

The Executive Council will on Tuesday endorse Governor Chris Patten's decision to push ahead with the remainder of his constitutional reform package, to be gazetted as early as next Friday and tabled on 9 March.

While Mr Patten has called China's bluff over its threats to disband the three tiers of government in 1997, Mrs Chan is more pragmatic. She warned Beijing that continuity in Hong Kong was crucial to the transfer of sovereignty, both politically and economically. "I would hope that if we had in place arrangements that would ensure fair, open elections that in the interests of preserving Hong Kong's prosperity and stability they would not be dismantled after the 1st July 1997."

Mrs Chan said she would personally find it difficult to remain in a government which presided over "unfair" electoral arrangements. However she stated, she was not expecting that to occur.

Mrs Chan hoped she would not be regarded by the Chinese leadership as a subversive for supporting political reform which although enshrined in the Joint Declaration was implemented without Beijing's consent. "I find it very difficult to read the thoughts of the Chinese," she said. "I hope they will regard every single member of the civil service as doing what they regard as in the best interests of Hong Kong."

She intended to serve in government until her retirement at 60 in the year 2,000. "According to the Joint Declaration, provided that we uphold the Basic Law and swear allegiance to the future Special Administrative Region (SAR) government, I can't see any reason why serving civil servants could not continue after 1997. We don't want to see a wholesale replacement of senior officials on 1 July 1997."

Mrs Chan however did not discount being a candidate for the position of Chief Executive of the post-1997 SAR.

### PRC Official Says Airport Talks To Resume 'Very Soon'

HK1902061594 Hong Kong HONGKONG STANDARD  
in English 19 Feb 94 p 4

[By M Y Sung and Antoine So]

[Text] Talks on resolving the differences between Britain and China on financing the new airport will resume "very soon," according to the Chinese side.

China's chief representative on the Sino-British Joint Liaison Group, Guo Fengmin, said the two sides would set the date for the meeting next week.

Speaking at the Xinhua News Agency local office Lunar New Year banquet yesterday, Mr Guo said it would be difficult to hold the Airport Committee talks next week.

"There will be expert talks on security and defence land next week, and it would be difficult to hold the two sets of talks simultaneously," he said.

He said the date for resuming the Airport Committee talks would be arranged by the time the two sides' experts met next week.

The Chinese representative on the security and defence land committee, Luo Jiahuan, said he hoped next week's talks would lead to an agreement. "Although the issues are very complicated, there is still hope of reaching a resolution," Mr Luo said.

He was not sure if the British side would be able to resolve the differences.

He said the main argument would be on the garrison and redevelopment.

It was proposed that the British military hospital in Tsim Sha Tsui would be scaled down and Shek Kong garrison would be redeveloped.

Mr Luo said the Chinese and British sides would arrange a joint tour to the sites next week.

Meanwhile, another new airport contract has been awarded, despite the Sino-British impasse over funding.

The Provisional Airport Authority yesterday announced it had awarded the contract for the airport's baggage handling system to Swire Engineering Services, in conjunction with Van Der Lande Industries of the Netherlands and Siemens of Germany.

A political party yesterday urged the government to make contingency plans to relieve traffic in Kowloon in case the airport railway link was not completed by 1997.

"It seems to us the government is very optimistic about the financial arrangement and thinks that the railway will be completed," Leung Kwong-cheung of the Association for Democracy and People's Livelihood (ADPL) said.

"It (the government) says it has no special plans as it is optimistic."

But Mr Leung said in case the railway could not be completed as scheduled, the government should now start preparing measures to cope with extra transport demands in West Kowloon, Tsing Yi and the future No 3 route after the airport opened in 1997.

At a meeting with Principal Assistant Secretary for Transport Arthur Ng, the ADPL proposed four contingency plans, including extending the Kowloon-Canton Railway to Central.

#### **Sino-British Joint Liaison Group Meets on Defense Issues**

*OW2202140194 Beijing XINHUA in English 1341 GMT 22 Feb 94*

[Text] Hong Kong, February 22 (XINHUA)—Experts of the two sides of Sino-British Joint Liaison Group held a meeting here today to discuss matters relating to Hong Kong's military sites and navy base.

Attending the meeting which is scheduled to last until Friday [25 February] are Luo Jiahuan, representative of the Chinese side, his British counterpart Alan Paul and their assistants.

Making comments to reporters prior to the meeting, Luo Jiahuan said that the Chinese side hopes that an agreement can be reached during the meeting. To achieve this, he said, the British side should show adequate flexibility.

During the meeting, participants will visit some local military sites.

#### **PRC To Respond to 'Unilateral Action'**

*HK2302091994 Hong Kong WEN WEI PO in Chinese 23 Feb 94 p A12*

[Report: "Guo Fengmin Stresses That If British Side Takes Unilateral Action, Chinese Side Will Definitely Respond"]

[Text] Yesterday, Guo Fengmin, chief Chinese representative China to the Sino-British Joint Liaison Group [JLG], pointed out that when the Sino-British talks on the arrangements for Hong Kong's 1994/95 elections began, it was made clear that the contents of the talks were confidential. If the British side unilaterally publicizes the content of the talks, the Chinese side will naturally take action accordingly.

Guo Fengmin made the above remarks when asked by a reporter what reaction the Chinese side will take if the British side publicizes the contents of talks at a spring party hosted by the Island Office [Hong Kong Island] of XINHUA News Agency Hong Kong Branch yesterday evening.

Guo Fengmin said: When China and Britain started the talks, they laid down the rule that the contents would be kept confidential. If the British side now takes unilateral action, the Chinese side of course will react accordingly. As to what reaction will be taken Guo Fengmin hopes the public will "wait and see."

Besides, Guo Fengmin also said that according to the provisions of the Sino-British Joint Declaration, at least three JLG meetings should be held each year. "I think there will be three meetings this year." He pointed out that there will be a experts panel meeting on the use of military land this week, after which other expert panel meetings will be considered.

#### **PRC, UK Urged To Stop 'Politicizing' Civil Service**

*HK2302073994 Hong Kong HONGKONG STANDARD in English 23 Feb 94 p 12*

[From the "Focus" page: "Perspective" column by Deputy Editor Terry Cheng: Beijing, London Must Allow Political Elite To Emerge"]

[Text] One of the most urgent issues facing Hong Kong's transition to Chinese sovereignty is to establish a political elite which commands the support and respect of the majority of the local people. Unfortunately, the reform package by Governor Chris Patten has further polarised the elite and the society, already split over the attitude towards Beijing.

Among local people, there have always been suspicions, resentments and fears against the communist rulers on the mainland due to political turmoil there. Military



suppression of student-led demonstrations on 4 June, 1989, was the latest of these political turmoils. But the crackdown occurred at a particularly sensitive time to Hong Kong people as 1997 was only several years away, and it came after 10 years of reform and opening.

Before Mr Patten proposed his reform package in October 1992, Hong Kong society and its political elite had somewhat contained their polarisation from the 4 June trauma. But in the course of the row over the political system triggered by the governor's move, public figures have had to take sides. And the political dispute has spilled over into other areas, such as the financial arrangement of the new airport. As a result, the society and elite have become further split.

Now both the Chinese and British are trying hard to woo Hong Kong people to their sides. As Beijing is stepping up to set up the "second stove" here, it is inviting new batches of people to become advisers to the territory-wide and regional affairs. On the part of the British, they are trying to hold people on their side. In this tug-of-war, people have to choose camps and risk being labelled as pro-Beijing or pro-London.

One of the most disturbed sectors is the civil service which should continue to play a crucial role in the government of the future Special Administrative Region. Beijing has taken to task some of the senior officials who have fervently promoted the governor's package. It is believed that the Chinese side is close to determining that certain Hong Kong officials will not serve beyond 1997. This will cost the territory some of its most capable hands. But as every government gives top priority to political reliability among its senior members, the Chinese side's stance is quite understandable. In this regard, Anson Chan, the first local to become Hong Kong's chief secretary, is likely to lose her top job after 1997. Mrs Chan probably knows this. In a recent interview with the HONGKONG STANDARD, she cast doubts about her own political future, saying she would find it difficult to preside over arrangements if China dismantled Hong Kong's three tiers government in 1997. Here, the chief secretary was actually saying that she could not continue her civil service career because of the political changes.

The fact remains that because of the row triggered by Mr Patten's package, the Chinese and British can't agree on political arrangements. The inability to establish a political elite which commands the support and respect of the majority of the local people will be harmful to the implementation of Beijing's pledge of "Hong Kong people ruling Hong Kong". This may jeopardise the "one country two systems" scheme which needs local people to prop up Hong Kong's system of capitalism. In the worst scenario, the polarisation may lead to instability in the years leading up to, as well as the years after, transition. We need local people to be in responsible positions in every major sector so that after the British withdrawal, the local administration can still operate effectively and stability will be maintained. If we cannot do that, we risk the danger of Beijing sending the

mainland cadres to help run the administration. This is a development which the local people do not want to see.

Much has to be done to redress the situation. Ideally, the Chinese and British sides should confine their clashes and prevent further splitting the society and its political elite. The two sides should stop politicising the civil service. The Chinese side should understand that since the officials are still under the British administration, they should by and large follow London's line. Let the civil servants perform their duties as usual. Actually, the society as a whole should be allowed to do its business as usual. If the governments of China and Britain and local political groups concerned themselves more with livelihood rather than political issues, Hong Kong would have a smoother transition. It would also be easier for a political elite, which commanded the support and respect of the majority of the local people, to emerge.

#### Survey Forecasts Civil Service Losses in Run-Up to 1997

HK2302054494 Hong Kong SOUTH CHINA  
MORNING POST in English 23 Feb 94 p 2

[By Louis Ng]

[Text] More than one-third of senior civil servants will resign because of the change to Chinese sovereignty, according to a survey released yesterday. It also disclosed that up to 77 per cent held foreign passports, increasing fears that an exodus of top officials is likely near the change-over.

The survey, conducted by Professor Joseph Cheng Yusheng and Dr Jane Lee of the City Polytechnic, showed strong pessimism among the cream of the 190,000-strong civil service. As many as 35 per cent of the top-ranking officials said they would not remain in the civil service after 1997. And another 29 per cent said they were undecided whether they would continue to serve after that date. The survey was conducted between March and November and targeted about 1,000 most senior level staff. It contained interviews and was followed by a mailed survey with a response rate of 57 per cent.

"In the study, it is observed that the bureaucrats generally exhibit a strong sense of uncertainty and pessimism concerning their future career as well as their political role," the academics said in their paper. "Early retirement and resignation from the civil service may be the ways by which the bureaucrats express their negative feelings towards the future political system."

The survey showed that up to 37 per cent of respondents were pessimistic about their career. Among these, 13 per cent said they were "very worried", while the remaining 24 per cent were "worried". The senior officials were also disturbed by the increasing interference by China in the run-up towards 1997. Twenty-one per cent said they were "very worried" about the involvement of Beijing

government officials in Hong Kong's major policy decisions. And nearly half (46.9 per cent) of the respondents said they were "fairly worried" about China's involvement, compared with the 25.5 per cent who were "fairly unworried". Also, more than half (50.9 per cent) disagreed that the decisions of the Chinese Government should override those of the Hong Kong Government. More than 65 per cent of the respondents said they were holding full British passports, with another 11 per cent holding other foreign passports.

The survey found that a majority of the respondents agreed that the Government should be held accountable to the Legislative Council, compared with the 17.1 per cent who said the Government should be held accountable to the Chinese Government. This was despite the fact that many of those interviewed felt that politicians were "incompetent, senseless and inimical to the general interests". "The study finds that the bureaucrats are in the process of adjustment towards a more open and responsive government," the researchers said.

#### **Phase Two of BNO Passport Scheme Seriously Behind Schedule**

HK2302054594 Hong Kong *SOUTH CHINA MORNING POST* in English 23 Feb 94 p 7

[By Scott McKenzie]

[Text] The Immigration Department is facing crisis delays in phase two of its application procedures for British National Overseas (BNO) passports. With only 30 working days left until the cut-off date for applications, 250,000 of the 340,000 eligible applicants have failed to lodge the necessary paperwork. Immigration Department assistant director, Chan Ching-bor, said more than 8,000 applications would have to be lodged every day before March 31 if people were to change their travel documents from British Dependent Territories Citizen to BNO passports in time. He said the outstanding applications would far exceed the capacity of staff processing claims for BNO passports. Only 3,500 applications can be processed per day. We would obviously like more staff to process these applications, but we just can't get the approval for funding."

Mr Chan urgently appealed for everyone eligible in phase two (those born from 1962 to 1966) to send in their applications. "It is only a two-page form and the best way is to post it to the Immigration Department. I urge everyone to act as quickly as possible on this," he said.

Mr Chan was unable to explain the delay in the procedure. "Phase two just seems to have been much slower than phase one." In phase one, 1,500 late applications were received and of the 150 so far processed, all have satisfied the requirements and been confirmed for BNO passports. He said about 10 per cent of eligible applicants would probably not apply for BNO passports for a variety of reasons. "Some may have emigrated, may be

living in countries that don't allow dual nationalities, or are people who don't think they will need such a passport after 1997."

The phased programme for application is intended to help the 3.5 million British Dependent Territories citizens in Hong Kong to retain British nationality by having a BNO passport valid beyond 1997. The programme aims to enable an orderly flow of applications. Those who fail to apply before the designated deadlines may lose their British nationality unless they have special reasons for their late applications. There have been complaints from people living overseas that they could not register in time because of difficulties in getting the right forms in embassies. Mr Chan said any late application would be assessed on the reasons provided by the applicant as to why it was lodged late.

#### **PRC Dissident Han Dongfang Given Union Research Job**

HK2302073294 Hong Kong *EASTERN EXPRESS* in English 23 Feb 94 p 3

[By Stacy Mosher]

[Text] Mainland political dissident Han Dongfang has taken his first step towards establishing himself in Hong Kong, by taking a job. Yesterday the Hong Kong Christian Industrial Committee (CIC) announced Han had accepted a job for a year as a staff researcher, with a salary of about \$10,000 a month. The committee said Han would be responsible for "research in trade unionism in support of CIC's long-standing programme of trade union education and the promotion of solidarity among workers in different parts of the world". The committee said Han's proven commitment to the labour movement and his Christian beliefs made him a valued addition to its staff.

Han led protests by nonofficial labour unions in Beijing during the stormy run-up to the violent government crackdown on June 4, 1989. After spending nearly a year in prison, he was allowed to leave China with his wife, to seek medical treatment in the United States in September 1992, for tuberculosis. In August Han attempted to return to China through Hong Kong, but was turned away by Chinese authorities. Subsequent attempts to go back have also failed. Han has remained in Hong Kong on a special one-month renewable visa for more than six months. A legislative councillor, Lau Chin-shek, and the director of Asia Watch, Robin Munro, have been his main supporters. Han says Hong Kong will be his base for now, as he continues his work for the Chinese labour movement.

A friend of Han's in Hong Kong said the committee would not forbid Han from making further attempts to return to China. Han applied for a work visa before the lunar new year, and was granted one on Monday. His wife and one-year-old son remain in the US. Han has no immediate plans to apply for them to come to Hong Kong.



**Survey Finds Apathy, Divided Opinion on Political Reforms***HK2302073394 Hong Kong EASTERN EXPRESS in English 23 Feb 94 p 1*

["Exclusive" by Political Editor Chip Tsao and Sally Blyth]

[Text] Public opinion is almost equally divided over whether even the less controversial parts of Chris Patten's reform bill should be amended, a poll conducted for Eastern Express shows. The poll, prepared in time for today's Legislative Council [Legco] debate on the bill, casts doubt on claims by the Governor to have widespread support for his political reforms. Conducted on Monday and released yesterday, the poll also shows an overwhelming majority of people—78.8 per cent—either know "very little" or nothing at all about the bill before Legco today. According to the poll, a small majority of people support the retention of ex-officio seats in the Legislative Council for members of the Urban and Regional Councils and the district boards.

Yesterday the Executive Council gave the go-ahead for the publication of the second and more controversial stage of the political reform legislation. The bill, designed to widen the franchise, will be gazetted on Friday.

The first stage of the reforms, covering the less contentious issues, paves the way for the lowering of the voting age to 18, the scrapping of appointed seats on the district boards and the establishment of the single-seat single-vote system for the municipal and Legislative Council elections. This is expected to be passed into law today.

Legislators are braced for a marathon debate, likely to last late into the night. The Government is confident that any attempt by conservative forces to derail the bill will be defeated. According to today's Oriental Daily News [TUNG FANG JIH PAO], 256 district board councillors out of a total of 411 are pressing the Governor to withdraw the bill from Legco.

Despite the vigour of the politicians' interest, the Eastern Express poll, undertaken by the Social Sciences Research Centre of the University of Hong Kong, shows most people have either lost interest, or have never been interested in the political reforms. Only 12.1 per cent said they were either very clear or reasonably clear about what was going on. The survey shows that neither of the amendments proposed by Liberal Party and the United Democrats has been well received by public. Only 21 per cent of those questioned agreed with the Liberal Party's amendment that arrangements for the 1995 Legco election should not be included in the bill, compared with 35.9 per cent who did not agree. Only 32 per cent supported the United Democrats' amendment to abolish all appointed or ex-officio seats of the Regional Council and district boards, compared with 38.8 per cent who did not. There was an even split of opinion over the amendment raised by one legislator, Eric Li, who

favoured a fixed ratio of one appointed seat to every three elected seats in the Urban and Regional councils and district boards. Fractionally more people supported than opposed the tabling and passage of the original version of the reform bill as proposed by Patten in autumn 1992—27.6 per cent against 26.9 per cent.

According to Robert Chung, the research officer in charge of the survey, none of the bill's proposals commanded the support of more than half of those questioned. "It shows an overwhelming indifference by the public with what's going on between Beijing and the Governor," Chung said. "Most of those interviewed have either shown no interest or no opinion at all." The poll provides further evidence of an erosion in public support for political reform compared with the high ratings for it seen after the measures were introduced by the Governor in 1992.

The Executive Council [Exco] yesterday endorsed the disclosure tomorrow of the Foreign Office's account of the 17 rounds of fruitless talks with China on political reform. The disclosure will take the form of a United Kingdom White Paper. Yesterday, Zhang Junsheng, the deputy director of the New China News Agency (Xinhua), said China had never objected to the publication but stressed that it had to be done through diplomatic channels. Although Exco has approved publication, the final decision rests with Douglas Hurd, the Foreign Secretary.

There has been disagreement over whether the second political bill should be published in their original form or watered down as an olive branch to China.

**Editorial Supports Governor's Political Reform Plans***HK2302073394 Hong Kong EASTERN EXPRESS in English 23 Feb 94 p 14*

[Editorial: "Second Best Just Not Good Enough"]

[Text] The moment of truth has finally arrived. Almost a year and a half after Governor Chris Patten outlined his plans for political reform, the Legislative Council [Legco] is faced with a real decision about whether to turn these reforms into law. It would be a great pity if the decision is stalled once again by the procedural manoeuvre which Councillor Elsie Tu has in mind. Tu, a bitter opponent of the Governor and his reform plans, is thinking about asking today's council meeting to postpone discussion of the first stage of the reform bill. She has every right to oppose, or indeed, amend the bill but she has no real grounds for suggesting yet another postponement of legislation. The uncertainty which swirls around the proposals must be brought to an end. Legco has a duty to not only pass legislation on the first stage of the reform bill but also on the more controversial second stage which contains plans for enlarging the franchise.

When the reforms were first proposed they appeared to command widespread public support. That, at any rate, was the verdict of countless public opinion polls. A significant new poll, published in today's paper, shows that support is ebbing. Opinion is now evenly divided on even the modest reforms under discussion in Legco today. We do not suggest that every new opinion poll should cause the Governor to dash out and alter his plans, nor that the members of Legco should respond like Pavlov's dogs to every new poll finding.

However, there are clear indications that support for reform is eroding. The reasons are probably complex but China's campaign of opposition is evidently having some effect. Previous polls have shown that even those who support the idea of more democracy as a matter of principle are reluctant to see it expanded in Hong Kong in the face of Chinese resistance. We can understand a reluctance to foster confrontation and increasingly sympathise with the Government's efforts to try to achieve a negotiated agreement with China, even though the negotiations disintegrated into something close to farce.

Nevertheless, the case for reform remains strong and the need for legislation to provide a framework for the coming elections is pressing. Our poll shows the Governor still has support for going ahead with plans for the 1995 Legco elections. However, a small majority of those questioned believe in the retention of ex-officio seats for members of the Regional Council [Regco] and the district boards and opinion is evenly divided on the idea of maintaining appointed seats in Legco. We find the reluctance to dispense with appointed seats particularly bizarre because even the Basic Law decreed that appointment to the legislature must end. We are also sceptical about the virtues of small cabals being empowered to elect members through Regco and district boards. In sum, it is hard to find much which is really objectionable in the bill before Legco today and we see few merits in the amendments being advanced. Yet it cannot be denied that the appetite for reform is fading.

If the public really want an electoral system riddled with undemocratic and unrepresentative practices, they are quite entitled to have precisely such a system. If they have taken the apparently pragmatic view that this is the best that can be achieved, given China's views on the subject, their assessment is reasonable. However, there comes a time when principles should be given precedence above pragmatism. People who pride themselves on their pragmatic views of affairs tend to see history as static. They argue that the realities of today will be the realities of tomorrow. History rarely works out quite like that. Chinese history, with its violent lurches from regime to regime, is a perfect illustration of this point. It therefore seems more realistic to start from a point of principle and work backwards from there. If it is right for Hong Kong to join other modern societies in having the ability to elect its law-makers in a fair and representative way, then Hong Kong should try to achieve such a system of elections. To settle for less is to accept that the

territory should always settle for second best. Second best is not the Hong Kong way of doing things, nor should it become so.

#### Guangdong Secretary Stresses Hong Kong, Macao Ties

HK2102044494 Hong Kong SOUTH CHINA  
MORNING POST in English 21 Feb 94 p 10

[By Daniel Kwan]

[Text] Guangdong's dream of becoming the fifth Asian economic dragon is inseparable from Hong Kong's prosperity, the province's Communist Party secretary, Xie Fei, said last night. Mr Xie underscored the close ties between the two neighbours after meeting a group of Hong Kong delegates to the Guangdong People's Congress.

But he stopped short of suggesting any high-level visits between the two governments to boost co-operation. Such visits have been seen as politically sensitive since Governor Chris Patten tabled his political reform package to the legislature.

In addressing the delegates, the party official gave an account of Guangdong's development blueprint from 1990 to 2010 and admitted that the future might not be all that rosy. According to Mr Xie, Guangdong will have to establish a market economy, perfect its legal system, and improve its present people's congress system and anti-corruption work in the coming six years. "My view is that our targets in the first 10 years (1990 to 2000) are relatively easy to achieve but difficulties await us in the second (decade). That's why we have to lay a very solid foundation... now." He said that Guangdong would pay extra attention to the development of agriculture, basic infrastructure and education, and science and technology in the run-up to 2000.

Meanwhile, the Government hopes to adjust the province's industry mix, clean up the environment and control population growth in that period. "Whether we can succeed in the second 10 years will very much depend on how we fare in these areas," Mr Xie said.

He highlighted the role of Hong Kong in Guangdong's ambitious plans. "The realisation of these targets is closely linked with the prosperity of Hong Kong and Macao," he said. The territory could continue to contribute to Guangdong's economy by serving as a channel for "investment markets, management know how, and information."

#### Macao

#### Government Establishes Economic Committee

OW2202141594 Beijing XINHUA in English 1309  
GMT 22 Feb 94

[Text] Macao, February 22 (XINHUA)—The Macao Government Economic Committee, attached to the Macao governor, has been established, according to a government communique.



The committee, set up Monday, will offer advice to the governor on local economic development, the communique said.

The committee performs such functions as formulating policies on local economic growth, especially on the industrial and commercial development, as well as on investment promotion. It also comments on policies concerning social and economic development, and the implementation of these policies.

Chaired by the macao governor, the committee has five vice- chairmen, eight representatives from local economic organizations, leading officials of relevant government departments and eight noted economists and academicians.

With the establishment of the new committee, the original consultative committee attached to the economic department and the committee of the textile industry and the Macao bureau for promoting investment will be abolished.

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